

THE EUROPEAN ECONOMIC COMMUNITY

*A Guide
for
Canadian Exporters*

External Affairs and
International Trade Canada



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THE EUROPEAN ECONOMIC COMMUNITY

A Guide for Canadian Exporters

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INTRODUCTION

The European Community (EC) has a population of some 320 million and generates almost one-fifth of the world's goods and services. It is the largest trading entity, accounting for about one-sixth of world trade, excluding trade among themselves. The European Community represents by far the greatest concentration of economic wealth, industrial power and technological capability outside North America. Trade relations between Canada and the Community are governed by the General Agreement on Tariffs and Trade (GATT) and the Framework Agreement for Commercial and Economic Co-operation, which was signed in 1976.

This book has been designed to help Canadian exporters realize more fully the attractive market opportunities awaiting them in the European Community. The Western Europe Trade, Investment and Technology Division in External Affairs and International Trade Canada will be glad to provide current and more detailed information on the regulations and conditions mentioned in this guide, as will the Canadian trade commissioners in our embassies abroad and in the International Trade Centres in Canada.

External Affairs and International Trade Canada has also produced a number of brochures that provide general advice on how to export and others that detail the department's programs for export development and technology inflow. To obtain copies you should contact either the International Trade Centre in your province or the trade information hotline.

Addresses and telephone numbers for the references noted above are listed either on the title page or in the back pages of this brochure.

I. THE EUROPEAN ECONOMIC COMMUNITY

The European Community unites the economies of 12 countries: Belgium, Britain, Denmark, France, the Federal Republic of Germany, Greece, Ireland, Italy, Luxembourg, the Netherlands, Portugal and Spain.

Legally, there are three European communities, but they share the same institutions:

- the European Coal and Steel Community (ECSC), created in 1951;
- the European Atomic Energy Community (Euratom), created in 1957;
- the European Economic Community (EEC), created by the First Treaty of Rome and which came into being on January 1, 1958.

In July 1968, the six original members completely removed customs duties and quotas on internal trade. Goods now move freely among all member states, and each member charges the same duty on a given importation from third countries. (Britain and Ireland brought their external tariffs into accord with the Community in 1977, thereby doing away with the "Commonwealth Preference" which, until then, was enjoyed by Canadian exports.)

A series of free trade agreements between the Community and its six neighbours, Austria, Finland, Iceland, Norway, Sweden, and Switzerland, known collectively as the European Free Trade Association (EFTA), sees industrial goods traded duty-free between the 18 states. Only goods that originate in the free trade area enjoy such duty-free treatment. Regulations stipulate the maximum percentage of third country value (components, material or labour) that may be incorporated into products to maintain their "origin" status for inter-EEC/EFTA trade.

Turkey is an associate member and its agreement provides ultimately for full membership. Malta and Cyprus also have association agreements that provide for a customs union with the EEC.

The EEC has co-operation agreements with Algeria, Egypt, Israel, Jordan, Lebanon, Morocco, Syria and Tunisia which provide free access to the EEC market for industrial goods, and preferential treatment for agricultural products.

In 1971, the EEC established a system of generalized preferences for developing countries permitting duty-free entry of manufactured and semi-finished products and some processed farm goods. Primary products are excluded. Duty-free treatment may be withdrawn if certain historical ceilings are exceeded.

Under the terms of the Lomé Convention, the Community grants duty-free and quota-free entry to all manufactured goods and almost all agricultural products from 60 countries in Africa, the Caribbean and Pacific areas (ACP), which were formerly dependent territories of member countries of the Community.

What is Europe 1992?

"Europe 1992" or the Single Market Program, aims to sweep away the remaining internal restrictions on the movement of goods, capital, services and workers to make the EC a truly unified common market. The ambitious undertaking began with a 1985 White Paper that outlines close to 300 pieces of legislation that would need to be passed to completely liberalize trade. These included measures to reduce (1) physical barriers (border customs and immigration controls), (2) technical barriers (technical standards, health and safety requirements, lack of mobility for workers and professionals, etc.), and (3) fiscal barriers, such as different rates of value-added tax in different member states.

As an example of how removing barriers is resulting in increased efficiency, in 1988 a "Single Administrative Document" was introduced to replace the up to 70 forms previously required by truck drivers crossing internal EC borders.

A report by the EC predicts that, provided the entire Single Market Program is implemented, the benefits could mean a 5 per cent increase in gross domestic product (GDP) and two to five million new jobs.

Europe 1992 is an extremely comprehensive program that touches upon almost all aspects of day-to-day EC commercial life. Some areas where the Single Market Program will have an impact are described below.

Technical Standards. Europe 1992 calls for the "mutual recognition" of manufactured products. In other words a product approved for sale in one member state can also be sold in all other member states without their subsequent approval. The EC is also drafting minimum essential standards required to protect public health and safety, and the environment.

Included in the Single Market Program is the development of European standards in both telecommunications and information technology.

Foreign Investment. Europe will continue to welcome foreign investment. Canadian companies are watching as the European Commission drafts a new European Company statute and as the Community pushes towards harmonizing various aspects of company law, initiatives likely to affect foreign acquisitions.

Technology Development. Community-wide technology programs are becoming more significant, serving not only to develop the research or technology itself, but also seeking to co-ordinate national research and development (R&D) efforts. Key EC research and development programs (worth \$10 billion over five years), are in information technology, telecommunications, manufacturing technologies and advanced materials.

Government Procurement. Europe 1992 aims to open up the national tendering processes to companies in all EC member states, particularly in the telecommunications, water, energy and transport sectors.

Finance/Banking. Progress towards liberalizing the financial and banking sectors could eventually lead to a European central bank and a common currency, though such a development would likely occur some years after 1992.

Environmental Action. A number of measures under the Single Market Program directly relate to environmental concerns. Among these are directives requiring environmental impact assessments for major investment projects, setting timetables for emission reductions for industrial plants and motor vehicles, and introducing civil liability for environmental damage.

Europe 1992 has quickened the pace and shaped the direction of structural changes already under way in European industry. These changes will lead to more national and cross-border mergers and acquisitions; more cross-border alliances in R&D, production and marketing; and a streamlining of production facilities on a European scale.

For Canada and Canadian business, Europe 1992 presents major challenges and opportunities. It will allow Canadian companies easier access to all EC member states but may require increased investment in European operations or alliances with European firms to take full advantage of the new rules. It will open up new markets, such as in telecommunications, but it will also increase competition — in Europe, in third countries and in Canada's domestic market — from increasingly efficient European firms.

Canada-EC Economic and Science and Technology Co-operation

Though agriculture and fisheries are two areas where Canada and the EC have had differences, overall economic relations are very healthy. In fact, Canada is the only industrialized nation outside Europe to have signed a framework agreement on commercial and economic co-operation with the EC. The agreement, signed in 1976, grants both parties most-favoured-nation status and encourages industrial co-operation in investment, joint ventures, consortia, licensing and technology transfer.

Under the agreement, Canada and the EC meet annually to review the various commercial activities already in motion and those envisaged for the future. Such official meetings are likely to take on added importance as the Community moves to unify its market by the end of 1992, allowing Canada a unique avenue for discussing economic concerns and participating in economic developments in Europe.

The same agreement has also made possible science and technology co-operation between Canada and the EC. As part of this ongoing co-operation, eight formal understandings for research and technology development have been signed since 1980 in the areas of energy, raw materials, health and the environment.

These understandings make possible the exchange of scientific information and research personnel, and the establishment of joint research projects that involve universities, government laboratories and industries. For example,

because Canada is a leader in tritium technology (a by-product of Canada's CANDU reactor), EC fusion research teams already have Canadian members and contracts have been awarded to Canadian firms because of their expertise.

Canada is exploring the possibility of strengthening co-operation with the EC in a number of research fields, including the environment, non-nuclear energy sources, biotechnology, telecommunications and information technologies, and advanced materials. The Canadian ministers of Science and Technology and of External Affairs have confirmed this interest to their EC counterparts and proposed the negotiation of a science and technology agreement.

The EC is one member of the EUREKA ministerial club which involves 18 Western European countries. This club directs a multi-sectorial technology development program now totaling 297 projects for a cost of about \$10 billion. This European program involves some 1 600 firms and research institutions in Europe. A small number of Canadian firms have already succeeded in finding a place in EUREKA projects with European partners.

Customs Tariff Structure

The Common Customs Tariff (CCT) of the EEC, which applies to goods imported into the Community from other countries, including Canada, is based on the international Harmonized System (HS) of tariff classification.

On January 1, 1988, the HS was adopted by the EEC and most of the other major trading nations including Canada and the United States. The system is based on the Customs Co-operation Council Nomenclature.

Customs duties in the Community are levied on either an "ad valorem" or "specific" basis. Ad valorem duties are used most widely throughout the Customs tariff and are charged on a percentage of the declared value as defined by European Community regulations (see "Customs Valuation" section). Where specific rates are applicable, the charge is made per unit, net weight or other specified measure of quantity.

Information about the classification of Canadian goods in the CCT and the rates of customs charges applicable may be obtained by contacting the European Community Trade Policy Division of External Affairs and International Trade Canada.

Customs Valuation

An international agreement on customs valuation has established uniform standards to be applied to determine the value of imported goods for the calculation of ad valorem rates of duty.

When the importer and exporter are not related, the customs authorities base the value for duty on the price actually paid or payable for the goods when sold for export (the "transaction price"). The price could, however, be adjusted in certain circumstances as described in the agreement.

If the transaction price cannot be used as the value for duty, the customs authorities will determine the value by applying the following methods in the order indicated:

1. the transaction price of identical goods sold for export to the same country;
2. the transaction price of similar goods sold for export to the same country;
3. the price at which imported goods, identical or similar goods, are resold in the country of importation to unrelated persons, adjusted to take into account costs and usual profits incurred after importation; and
4. a "computed" value based on the cost of production plus usual profits and expenses.

At the importer's request, the order of application of the last two methods may be reversed.

If the value for duty cannot be established using these methods, it may be determined using "reasonable means" consistent with the provisions of the customs valuation agreement and of the General Agreement on Tariffs and Trade (GATT).

The packings in which goods are imported are dutiable at the same rate as the goods they contain. Where packings would not normally be used for the goods they contain, and have an independent and durable use other than as packings, or where they have been used as packings to avoid the payment of customs duties otherwise applicable to them, they are dutiable at the rates that would be applied if they were separate shipments.

Anti-Dumping and Countervail

The European Community Council of Ministers and the European Community Commission (its executive arm) are

constitutionally responsible for applying Community anti-dumping controls. However, they depend upon member states to process applications for invoking the regulations, to submit the relevant details, to request immediate intervention in the marketplace (provisional anti-dumping duty), and to enforce Council decisions.

Under the anti-dumping regulations, the Commission can impose anti-dumping duties on dumped or subsidized imports from any country when it would be in the Community's interest to take such action. The Commission must be satisfied that the dumping or subsidization is causing or threatening material injury to a Community industry or that it is materially retarding the establishment of an industry in the Community.

Goods generally are regarded as being dumped if the export price is less than the fair market price in the country of origin. The fair market price is the price at which identical or comparable goods are being sold in the ordinary course of trade in the country of origin, but subject to any adjustments necessary to ensure a fair comparison.

Countervail duties are imposed when exports subsidized by the government of the exporting country are sold at a price lower than domestic goods and are threatening the industry of the importing country. Subsidies include any bounty or subsidy given by a government or other authority on the production or export of goods, whether directly or indirectly.

The Commission also has the power to impose provisional charges pending a full investigation if the facts indicate that dumping or subsidization is taking place and is causing or threatening material injury to a Community industry. No duty can actually be levied as a result of a provisional charge order, but security (normally a cash deposit) may be required under the order to cover any duty which may eventually be imposed. Provisional charge orders normally expire after three months. For imports from countries that have signed the GATT Anti-Dumping Code (including Canada), the Commission will extend provisional charge orders for a total of six months only if both exporters and importers concerned request such an extension.

Prior to a full investigation, the Commission informs all interested parties of the particulars by publishing a notice in the *Official Journal of the European Communities*. As well, the Canadian government and any Canadian exporter concerned are informed when an investigation is being considered.

The overseas manufacturer and exporter, as well as the importer of the product concerned, may offer evidence relevant to an anti-dumping application and express objections to it. Similarly, consumers and users of the imported product may express their opinion, since the Commission ultimately must determine whether the imposition of a duty is in the Community's interest. The Community has no statutory power to compel any person to furnish information, but it is in the interest of all parties that a decision should only be reached in the light of all relevant facts and considerations.

Representations may be made orally or in writing to the Commission. To facilitate these representations, a summary of the application is given on a confidential basis to all parties that have a bona fide interest in the case. There are no public hearings and normally no confrontations of the opposing parties.

Non-Tariff Barriers

Non-tariff barriers (NTBs) are measures and practices which may hinder trade, directly or indirectly. While they derive from legitimate concerns such as sanitary and safety regulations, they may restrict the free flow of goods. Now that trade barriers are being lowered through trade negotiations and freer trade is being encouraged, non-tariff barriers have much greater importance.

In the EEC, non-tariff barriers affecting the agricultural sector and the steel industry come under the jurisdiction of the Community as a whole. NTBs that affect industrial products are under the jurisdiction of individual member states.

Some of the non-tariff barriers that affect Canadian exports into EEC markets include phytosanitary and health certification, licensing, standards and government procurement policies.

Variable Levies. Variable import levies are applied to many agricultural products. Levies differ from product to product, but generally represent the difference between the world market price and the EEC support price, plus an additional amount to ensure that Community production receives preference.

Minimum Price Regulations. A minimum import, or reference price based on EEC market prices is applied to fresh apples, cherries, peaches, pears, plums, seed corn,

tomatoes, other produce and some steel products. Offsetting compensatory taxes are levied on imports selling below the reference price.

Canadian trade offices located in EEC countries routinely take these regulations into account when responding to marketing enquiries from Canadian exporters.

Exporters to the Community should be prepared to comply with specific instructions received from agents or importers as some so-called "non-tariff barriers" may be temporary or imposed only during specified periods of the year.

Documentation

There is no prescribed form of customs invoice required to clear Canadian goods through customs in the various member states of the EEC. Generally all that is required is the exporter's normal commercial invoice and the usual shipping documents covering the exported goods. The following notes may be helpful.

Commercial Invoice. Normally two copies of the commercial invoice giving full particulars necessary to establish the c.i.f. value are sufficient. Although no special form or contents are prescribed for the commercial invoice, it is advisable to include the following:

- date and place of shipment;
- markings of the packages and their numerical order;
- exact description of the goods (e.g., customary commercial description according to kind, quantity, grade, weight — gross and net, preferably in metric units), with special emphasis on factors that may affect value;
- agreed-upon price of goods, including unit cost and total cost f.o.b. factory plus shipping, insurance and other charges;
- delivery and payment terms; and
- the signature of a responsible official of the shipper's firm.

Chamber of Commerce certification and consular legalization are not usually required.

Throughout Europe, INCOTERMS, as established by the International Chamber of Commerce, are used to avoid misunderstandings over the responsibilities of the buyer and seller. Canadian exporters would be well-advised to follow

the definitions and procedures specified in the publications *INCOTERMS* and *Guide to INCOTERMS* available from:

ICC Service S.A.R.L.
38 cours Albert 1^{er}
75008 Paris, France
Tel: 2618597
Telex: 650770

or from Canadian offices located at:

1080 Beaver Hall Hill
Suite 1730
Montreal, Quebec
Canada H2Z 1T2
Tel: (514) 866-4334

Certificate of Origin. Except for textile and clothing products, a certificate of origin is not usually required for imports from Canada. An importer may, however, request a certificate from "in-quota" imports of certain goods such as wines, textiles, etc. Copies should be provided on the general form sold by commercial printers. Certificates of origin, when required, usually must be certified by a recognized chamber of commerce, board of trade or similar organization.

Bill of Lading. There are no regulations specifying the form or number of bills of lading required for any particular shipment. A bill of lading customarily shows:

- the name of the shipper;
- the name and address of the consignee;
- port of destination;
- description of goods;
- listing of the freight and other charges;
- number of bills of lading in the complete set; and
- the date and signature of the carrier's official, acknowledging receipt on board of the goods for shipment.

This information should correspond with that shown on the invoices and packages. Bills of lading direct of "to order" are accepted. On air cargo shipments, the way-bill replaces the bill of lading.

Packing List. Although not required, a packing list is useful in expediting customs clearance at the port of entry. Such a list should describe, in detail, the contents of each case or container included in the shipment giving the net

and gross weights, together with the c.i.f. value of each commodity.

Phytosanitary and Health Certificates. When exporting plants, plant products, animals or animal products to the Community, it is often necessary to have such shipments accompanied by a certificate issued by Agriculture Canada. It is advisable to contact the Food Production and Inspection Branch of Agriculture Canada in Ottawa for animals and animal products and for plants and plant products, or an office of Agriculture Canada in your region, to determine the conditions that must be met when shipping these products to the European Community.

Additional Notes. Wherever possible, the required documentation should be forwarded separately to the consignee prior to the departure of the goods for submission to Customs with the entry documents. Enclosing them in the package being shipped will cause delay. In addition, whenever possible, designations and descriptions on documents should be in terms of the Common Customs Tariffs or the national tariff of the country of destination and, when feasible, in the language of the member state to which the goods are consigned. With the exception of France (which requires French documentation only), English or French documents are acceptable throughout the Community.

Temporary Entry — Carnet

What Is a Carnet? The Carnet (Admission Temporaire Temporaire Admission), commonly known as the ATA Carnet, is a special customs document that simplifies procedures for business and professional people wishing to take commercial samples, professional equipment and related materials into a country for a temporary period.

The Carnet consists of a folder and various coloured customs sheets. There is a pair of white sheets for each country to be visited — one sheet for entering the country, the other for leaving. Perforations separate these sheets into counterfoils (top) and customs clearance vouchers (bottom). The vouchers are stamped, signed and held by customs. There is also a pair of yellow sheets (both counterfoils and vouchers) for leaving and returning to Canada. When goods are to make a straight border-to-border transit between countries, pairs of blue sheets will also be included.

Your Carnet will be prepared to meet your specific requirements.

Why Use a Carnet? The Carnet is a valuable aid in rapidly and conveniently moving temporarily imported goods from one country to another. It eliminates such customs procedures as the preparation of national entry forms or the purchase of a security bond at every customs station. These details involve time, effort and expense. The Carnet allows the business traveller to:

- use a single Carnet for goods which will pass through the customs of several countries in one trip;
- make customs arrangements in advance for the countries being visited;
- make these arrangements quickly at a predetermined cost; and
- make as many trips as desired within the one year validity period of the Carnet.

Who Can Use a Carnet? Canadian companies will find the Carnet system of value to many of its representatives travelling abroad — salespersons, technicians, licensing representatives, professional teams.

How Long Is a Carnet Valid? A Carnet is valid for one year from the date of issue. This period cannot be extended and all items covered by a Carnet should be returned to Canada by the expiry date.

How Long Does It Take to Obtain a Carnet? Allow four days from the time an application arrives at the Canadian Chamber of Commerce for processing. This period could be shorter or longer depending on the volume of applications at any given time.

For What Countries Can Carnets Be Used? Carnets can be issued for all EEC countries.

The Canadian Chamber of Commerce has been designated as the agency which issues, administers and guarantees ATA Carnets in Canada.

Further information and application forms may be obtained from:

Carnet Canada
The Canadian Chamber of Commerce
1080 Beaver Hall Hill
Suite 1730
Montreal, Quebec
Canada H2Z 1T2
Tel: (514) 866-4334

or

Carnet Canada
The Canadian Chamber of Commerce
Richmond-Adelaide Centre, Suite 2109
120 Adelaide Street West
Toronto, Ontario
Canada M5H 1T1
Tel: (416) 868-6415
Fax: (416) 868-0189

or

Carnet Canada
The Canadian Chamber of Commerce
55 Metcalfe Street, Suite 1160
Ottawa, Ontario
Canada K1P 6N4
Tel: (613) 238-4000
Fax: (613) 238-7643

Labelling, Packaging and Advertising Foodstuffs

The EEC has directives on the labelling, packaging and advertising of prepacked foodstuffs for retail sale. Products not meeting these requirements are prohibited entry.

The following particulars should be noted by exporters of prepackaged food products to the Community.

The label must indicate:

- brand name under which the product is sold;
- list of ingredients;
- the net quantity in the package in metric units;
- date of minimum durability (shelf life);
- special storage conditions or methods of preparation;
- name and address of manufacturer or packer or seller established in the Community;

- country of origin; and
- instructions for use when purchaser would be unable to prepare contents without such instructions.

If the foodstuff has been prepared for consumption, the label must also indicate whether contents have been steamed, boiled, smoked, freeze-dried, powdered, deep-frozen or prepared in some other manner.

Any labelling that is considered to mislead purchasers as to the origin, composition, quantity, identity, characteristics, method of manufacture or production, is banned and the product cannot be offered for sale.

The language used in labelling or advertising should be that of the member state to which the goods are consigned for sale. Other recognized languages of the Community are acceptable in some instances. The characters must not be less than 1.5 mm, and not less than 1/10th the size of the largest characters used on the label to a maximum height of 5 mm.

Further information on the labelling of EEC-bound foodstuffs is available from the European Community Trade Policy Division of External Affairs and International Trade Canada.

Value-Added Taxes (VAT)

Most products sold in the EEC, whether imported from abroad or manufactured domestically, are subject to a value-added tax. This tax is popularly known as the TVA from the French appellation, "Taxe sur la valeur ajoutée," or VAT, the designation used in Britain. While all countries in the Community have a standard method of application of VAT, the rates vary widely from country to country.

In some cases, there are two or three categories of rates: a standard rate, a lower rate or exemption applicable to foodstuffs or other essentials, and a higher or major rate applicable to luxury goods or non-essential articles.

The standard rate (as of January 1989) is as follows:

	Per cent
Belgium	19
Britain (U.K.)	15
Denmark	22
France	18.6
Germany	14
Greece	16
Ireland	25
Italy	19
Luxembourg	12
The Netherlands	18.5
Portugal	17
Spain	12

The value-added tax paid in one member state on goods which then enter inter-EEC trade can be recovered upon submission of proof that the VAT has subsequently been paid in another member state.

Value-added tax is assessed on the duty-paid value of imported goods. Current rates charged by member states of the Community may be obtained from the European Community Trade Policy Division of External Affairs and International Trade Canada. Inquiries should, if possible, contain a detailed product description, including the HS number and the country of destination.

Competition Policy of the EEC

The competition policy of the Community outlaws restrictive agreements such as market sharing and provides that "dominant positions" not be abused.

The Commission's authority stems from the Treaty of Rome, which prohibits restrictive trading arrangements including those which fix prices, limit production and delineate markets without benefiting the consumer. These regulations apply to domestic agreements between two or more national companies, and to arrangements between EEC firms and those in third countries. The Treaty of Rome prohibits any "abuse of a dominant position" within the EEC insofar as it affects trade between member states. However, the treaty does not define "dominant position."

Community law on restrictive and abusive practices exists side by side with national regulations in this field, and this had led to misunderstandings in the past. Where conflicts

occur, the matter is resolved according to guiding principles established by the European Court of Justice. Community law has primacy and must be fully and uniformly applied throughout the Common Market.

Harmonization of Industrial Standards

The community regards the diverse standards of member countries as technical obstacles to trade and has a continuing program for harmonizing standards.

The Community has undertaken a comprehensive review of all the physical, technical and fiscal barriers that stand in the way of trade, industry and people operating on a Community-wide basis, and in June 1985 published a white paper setting out a comprehensive and integrated package of 300 proposals to remove these barriers and thus effectively create a single market in Europe. The white paper was presented to the European Community heads of government, who endorsed the plan and gave their commitment to "achieving completely and effectively the conditions for a single market . . . by 1992 at the latest."

Many of the broad proposals listed in the white paper have been adopted. In the industrial sector, specific directives have been issued by the European Community Council. Enforcing EEC standards is the responsibility of each member state.

Of the standards that have already been harmonized, the major portion relates to highway truck carriers, automobiles, agricultural tractors and meteorological equipment. It is generally accepted that national standards will remain in effect until a directive has been approved by the Council and published in the EEC's official journal as a regulation.

Exporters of industrial goods or equipment can continue to rely on their customers for guidance as to the standards that must be complied with on shipments to Europe. Should advice be received of alterations or modifications to be made to goods for export to the Community, interested parties can contact the relevant industry sector branch of Industry, Science and Technology Canada for verification of the EEC regulation or clarification of the specific directive.

The EEC Common Agricultural Policy

Since its introduction in 1962, the Common Agricultural Policy (CAP) has had a major influence on agricultural production and trade both in the member states of the European Community and worldwide. The fundamental elements

of this policy involve the abolition of barriers to intra-Community trade, the provision of internal support for market prices and the establishment of common border regulations for imports and exports.

Through intervention agencies, which buy up agricultural commodities at predetermined price levels, the European Community has supported domestic market prices for most agricultural commodities at levels generally well above world market prices. It protects its domestic market from foreign competition by using variable import levies which prevent foreign goods from being sold at prices below those charged locally, and which ensure that imports only fill gaps which cannot be covered by Community production.

High domestic prices have stimulated agricultural production in the Community and surpluses have been accumulated for a variety of products including beef, milk powder and butter. To enable Community exporters to sell competitively on world markets, a "restitution" (subsidy) is paid to bridge the gap between high Community price levels and lower world prices. In some instances, this has given European Community agricultural exports a competitive advantage in third markets over those from other countries.

The Common Agricultural Policy (CAP) is financed through the European Agricultural Guidance and Guarantee Fund which derives about two-thirds of its revenue from customs duties and agricultural import levies and the remaining one-third from contributions assessed on the member states.

Although the European Community is Canada's largest export market for agricultural products, the CAP of the Community makes it a difficult one.

II. *BELGIUM — LUXEMBOURG*

General Information

Belgium is a modern, highly developed industrialized country with an expanding services sector and relatively shrinking industrial production and traditional manufacturing sectors.

Dependent on raw materials, Belgium built its economy on the strength and efficiency of its transformation industries. Excellent location at the gateway to Northern Europe is still a major benefit. Since 1975, the contributions of steel, metal working, machinery and transport equipment have been declining while electronics, fine chemicals, pharmaceuticals, agri-food business and the service trades are taking their place. Trade with Canada is only starting to reflect recent trends. Canada's major exports remain minerals, forest products and foodstuffs, and Belgium's shipments concentrate on steel products, machinery, transport equipment, chemicals, pharmaceuticals and diamonds.

Despite only 10 million people, Belgium ranks 10th worldwide by value of exports and imports, and with 70 per cent of its gross national product (GNP) accounted for by foreign trade has the most open economy of the industrialized world. There are very few constraints on trade peculiar to Belgium. Of course, as a member of the EEC, Belgium applies the Common External Tariff (CET). Within the EC area and especially for the three neighbouring countries, Germany, France and the Netherlands, Belgium is an important transshipment point. The country also serves as a manufacturing base for distribution throughout Western Europe. As a test market it is a good representative for its larger neighbours. These characteristics plus the facility of using French or English for business discussions combine to give Canadian exporters an excellent starting point for sales and/or investment in a unified European market.

Some understanding of the political realities within Belgium could be helpful. The country is divided between Flemish (Dutch) speaking people in the north and French-speaking Walloons in the south. There is also a small German-speaking area in the east. As historically, there has been

friction between Flemings and Walloons, Belgium is introducing a federal system of government to allow each language/culture group to have greater independence. Brussels, the capital, is officially bilingual and has a separate status. Sensitivity to regional differences is important for anyone wishing to do business in Belgium.

Complete statistical information on the Belgian economy and industry is readily available from government sources, banks or trade associations. The various trade associations are a particularly good source of information on specific manufacturing and service sectors of the economy.

Selling to the Belgian Market

As open to trade as Belgium may be, it is also a highly competitive and sophisticated market allowing duty-free access for products of its neighbours in the EEC as well as the European Free Trade Area (EFTA) countries for non-agricultural products and preferential arrangements for many developing countries. Canadian firms that hope to sell there must overcome the Common External Tariff (CET) as well as compete on the basis of quality, price and delivery.

How then does one approach this market? We cannot attempt to provide an answer which will meet everyone's needs since different products are sold in different ways, and each manufacturer has a preferred method of operation. In some cases, direct sales may be the best approach, particularly when you are selling to a large retail chain or have only a few major industrial accounts.

More typically, Canadian firms use the services of an agent or importer/distributor. There are many such organizations in Belgium but the exporter must be careful to select the best firm to do the job. Because of the competitiveness of the market, it can sometimes be difficult to locate suitable representatives who are not already fully committed.

While some representatives confine themselves to specific regions of the country, most represent the whole of Belgium and many cover Luxembourg as well. A few of the larger firms may have affiliated organizations in the Netherlands, northern France or West Germany, but this is less common. Due to the relatively small size of the market they serve, most distributors tend to be less specialized in their product lines than they would be, for example, in the United States.

Consider the matter of appointing an agent or representative carefully. Agency agreements are binding on the parties concerned and can only be terminated in accordance with existing local laws. Limited term agreements with a trial period should be considered, while open-end agreements should be avoided. It is wise to use the service of competent legal advice before making a commitment.

Experience has shown that the best way to select a distributor is face to face. Letters, brochures and credit reports have their place but don't allow the prospective representative to question you directly about your product, nor do they permit you to size up the distributor and gauge the enthusiasm that will be brought to promoting your product. The Commercial Division of the Canadian Embassy in Brussels will advise and assist in arranging appointments with suitable prospective representatives.

Direct contact may also be obtained through participation in, or visits to trade fairs. While there are many local and a few important international trade shows held each year in Belgium, many Canadian firms find they also obtain good results by exhibiting at the large international fairs held regularly in other European countries, particularly in West Germany, France and the Netherlands. The best, most aggressive Belgian agents usually attend these fairs.

There may be a temptation to think of the Belgian market as an extension of the French, Dutch or German markets. However, for most suppliers, Belgium provides a separate market which requires an individual approach.

Certainly Belgium has many of the characteristics of other northern European markets and for that reason many companies find it attractive to concentrate on Belgium for their initial effort into Europe. Experience in this market often provides valuable preparation for the French or West German markets.

When to Visit

While welcome all year, it is preferable to avoid July/August (summer holidays); the period between 20 December and 6 January; the week before and the week after Easter; and the following public holidays.

New Year's Day — 1 January

Easter Sunday and Easter Monday

Labour Day — 1 May

Ascension Day — March - April†

Whit Sunday — March - April†

Dutch-speaking Community Day — 11 July

National Commemoration Day — 21 July

Assumption — 15 August

French-speaking Community Day — 27 September

All Saints' Day — 1 November and 2 November*

Armistice — 11 November

Dynasty Day — King's official birthday — 15 November*

Christmas Day — 25 December and 26 December*

† Date set by lunar calendar

* Only government offices closed

National Regulations

In Belgium, many products are subject to national regulations derived largely from EEC directives (e.g., labelling, packaging and advertising of prepared foodstuffs for retail sale). These regulations apply, in particular, to foodstuffs, live plants, cigarettes, pharmaceutical and medical products, cosmetics, textiles, machinery and appliances. Regulations governing prelabelled products apply to packaged products when they are intended for consumption: foodstuffs, body care, washing and cleaning products, maintenance products for leather and furniture, mineral oils and other fuels, and ready-to-use paints and varnishes.

Marks of Origin. Foreign goods that have markings or inscriptions which would falsely imply that the goods are of Belgian origin are prohibited for import, export or transit.

Before they can be sold, all weights, measures, and instruments and apparatus for weighing, measuring and counting must bear a certificate identifying the producer or importer and a primary control stamp from the Belgian government.

Certificates. Sanitary certificates from Agriculture Canada and signed by a veterinary officer are required for meats and meat preparations, offals and rendered fats.

Agricultural produce must be accompanied by a phytosanitary certificate, in French, issued by Agriculture Canada.

Sanitary inspection certificates signed by officers of the Inspection Services Directorate of Fisheries and Oceans Canada are required for imports of edible fish and fish products.

Samples. Samples of negligible value are admitted duty-free and exempt from tax.

For trade samples or goods imported for a specific purpose on a temporary basis, duty and tax may be paid upon entry and a refund claim filed for reimbursement upon proof of export. Canadian exporters may avail themselves of the ATA Carnet to cover commercial samples used for display or in taking orders (see Chapter 1, "Temporary Entry — Carnet").

III. BRITAIN (U.K.)

The Canada-U.K. Environment

Even though the U.K. remains Canada's third largest bi-lateral trading partner and most important customer in Europe, Canadian exporters must appreciate the reality of the U.K.'s greater involvement in Europe, and intensify efforts to promote effective and long-term trading relationships with the country.

Canada's preferred access to the U.K. market is a thing of the past. The product and the price must now overcome EEC tariffs and possibly other trade restrictions and still be competitive with high-quality European goods and services that enter the U.K. duty-free.

Generally, attitudes toward doing business with Canada are positive but misconceptions of Canada as essentially a supplier of industrial raw materials, forest products and grain are still widely held. Similarly, some Canadians have equated the U.K. with outdated, inefficient industrial processes and are not themselves aware of the scale of the transformation taking place.

While stereotyped impressions are breaking down and more realism is developing in the relationship, the degree and diversity of trade interdependence remain far below potential.

Population and Environmental Characteristics

The U.K. (England, Wales, Scotland and Northern Ireland), with a population of 56 million, is 1 000 km from the south coast to the extreme north of Scotland and 500 km across at the widest point. Transportation facilities and services are excellent with major sea ports in London, Liverpool and Southampton; a railway system between all main cities and towns, probably more kilometres of roadway for its area than any other country; and numerous international and domestic airports.

Important population/marketing areas include greater London (7 million), West Midlands (2.4 million), greater Birmingham (2.3 million), Tyneside (Newcastle) (797 000) and West Yorkshire (Leeds and Bradford) (1.7 million). In England,

approximately four out of five people live in urban or suburban areas. In Scotland and Wales the number of city dwellers is lower. Population growth in the U.K. has stood at less than 0.5 per cent per year. Eighty per cent of the land is developed for agriculture. Major natural resources include offshore oil, gas and coal.

Economy

The U.K. gross domestic product (GDP) in 1988 was £400 billion thus ranking fifth in size among Western nations, although ninth in terms of per capita GDP.

The government has introduced a large-scale privatization program and many organizations previously under government ownership have returned to the private sector. Steel, transport, oil and gas, telecommunications and power have all figured prominently in this scheme.

The maturation of the offshore oil and gas industries, the growth in the service industries (especially financial services) leading to an expanding invisible trade surplus, the rapid development of electronic and micro-electronic technologies, and industry preparation for the single European market have dominated recent trends.

Economic recovery started in mid-1981 and has continued through 1988 to produce a real increase in GDP of over four per cent. The immediate outlook is for continued growth at a diminished rate.

Trade Policy and Characteristics

Foreign trade is within the competence of the EEC. Tariff levels applying to Canadian exports to the U.K. are those of the Common Customs Tariff established by the EEC.

In effect, Canadian products now enter Britain at the same rates as those applied to products from the United States, Japan and Australia. In contrast, industrial products from members of the Common Market and EFTA benefit from duty-free entry into the U.K.

In addition, a range of products can enter the U.K. from less developed countries under the general preferential scheme for such countries.

British import duties are for the most part assessed on an ad valorem basis that includes freight, insurance, commission and all other charges to the port or place of importation. The invoice price, if negotiated under open market

conditions, is usually accepted as the normal price for establishing dutiable value. Duties are payable in British currency at the rate of exchange prevailing at the time the goods clear Customs.

Membership in the EEC has resulted in both a changed composition and a re-orientation of U.K. overseas trade. Twenty years ago, less than 30 per cent of total U.K. trade was with the "enlarged" EEC; the figure is now 50 per cent. Also 20 years ago, manufactures made up 44 per cent of U.K. imports and 84 per cent of U.K. exports; the figures now stand at 73 per cent and 75 per cent respectively. The trend has been one of increasing concentration on trade within the EEC together with the establishment of multinational manufacturing companies with rationalized production throughout the Common Market.

Some restrictions of a non-tariff nature are still specific to the U.K. These concern primarily animal and plant health regulations and certain quantitative controls, mainly affecting textiles from low-cost supplying countries. Informal international industry-to-industry restraints, as distinct from community action at the government level, are also in effect against such items as Japanese automobiles. Canadian exporters, when confronted with various national standards and approval boards (especially in the electrical and electronics field), as well as health and safety regulations, often experience difficulty competing with domestic U.K. suppliers.

Government Procurement

The British government has implemented the government procurement codes agreed to under the Multilateral Trade Negotiations. The codes provide that:

- countries will not discriminate in their government purchases against goods produced abroad when such purchases exceed £200 000;
- countries must openly publish invitations to bid, supply all documentation necessary to bid and apply the same purchasing criteria to foreign and domestic firms; and
- countries must provide full information and explanations at every stage of the procurement process. This agreement does not apply to services.

Characteristics of Bilateral Trade

Two-way trade now tops the C\$8 billion mark with Britain enjoying a healthy but declining surplus (C\$1.1 billion) at the present time. Strong U.K. export growth to Canada and new prospects under the FTA are leading to broader business co-operation and expanded U.K. investment interest in Canada.

The U.K. is a major market for Canadian exports with only the U.S. and Japan having larger market shares. The U.K. accounts for approximately 35 per cent of our exports to the EEC. Sales of resource and agricultural products, which traditionally make up 85 per cent of our total sales, remain price sensitive. Canadian exporters seem to have overcome the downward trend that began in the early 1980s due to the higher value of the Canadian dollar and the contraction of the traditional heavy industrial component of British manufacturing. The effects of the EC Common Agricultural Policy (CAP) continue to present a market challenge to those trying to export agricultural products.

Many Canadian exports are exchange-rate sensitive and prospects will vary with currency movements. Over the past two years, opportunities have emerged from significant domestic market restructuring, privatization, modernization and overall economic growth.

There continue to be dynamic prospects for business co-operation in the high-technology/telecommunications sector with Canadian exports in this area growing at a rate of approximately 15 per cent annually over the past four years. Coupled with this, there is increasing manufacturing by subsidiaries of Canadian firms. Canada is making strides in the area of telecommunications, computers and computer hardware, and selected defence products. There are now over 100 inter-firm agreements to share technology and know-how. This cross fertilization can be vital to Canadian firms seeking to expand into the Common Market, especially as the EEC progresses towards its target of a truly integrated market by 1992.

Exporting to the U.K.

It would be wise to realize at the outset that in Britain things are often not done the same as in Canada. British businesspersons are usually more cautious than their Canadian counterparts. They may need more convincing if for no other reason than their concern about the physical distance between the two countries. While British businesspersons

tend to think in global terms, their preconceptions about Canada may lead them to be skeptical about the quality of your product. They are open to suggestions quietly put, but will insist on comprehensive information on your product, as well as the background of your company. Also, British reserve is not a myth — good business practice allows for reflection. The experienced exporter will take account of this national characteristic.

Experience has demonstrated that successful exporters usually pay regular visits to Britain, and certainly a personal on-the-spot investigation is invaluable in assessing the market potential and establishing solid and fruitful contacts. Appropriate timing should be considered. The main holiday season, from early July to early September, should generally be avoided.

It may be advantageous to plan a visit to coincide with a trade fair or exhibition of particular interest. London used to be the main venue for national and international exhibitions, but the National Exhibition Centre in Birmingham is now attracting a number of major events.

Hotel accommodation should be booked well in advance of arrival, particularly in London. Until recently, hotel prices included an English breakfast, but this is no longer so. In some cases a continental breakfast is included in the price, but breakfast is generally an additional charge.

Car rental charges are generally double the Canadian level but vary according to rental company and car size. Unless you have a particularly stout heart, it might be wise to consider using the very adequate public transport (trains, taxis and the London “tube”) rather than running the gauntlet of dense British traffic where the driving is on the “wrong” side of the road.

London is one of the world capitals where the gourmet may experience foods from many nations. The British haven't forgotten their traditional dishes either. Roast beef and Dover sole are in abundance. However, dining out, especially in London, can be expensive.

On the subject of tipping, the British are not difficult, but a 10 to 15 per cent tip is usually expected. In pubs tips are not usually given for service at the bar.

Most visitors will find it useful to call upon the Agent General for their province. Alberta, British Columbia, Nova Scotia, Ontario, Quebec and Saskatchewan all have permanent offices in central London. The provincial offices

offer services to business visitors and the Commercial Division of the Canadian High Commission works closely with them.

Canadian banks also have extensive representation in London. While personal banking services are limited, they offer a complete range of banking services for business. The Bank of Montreal, Bank of Nova Scotia, National Bank of Canada, Canadian Imperial Bank of Commerce, Royal Bank of Canada and Toronto Dominion Bank have branches in the U.K.

Because London is an international business and financial centre, there are several other Canadian organizations with a local presence that the visitor may find useful. These include investment houses and insurance companies; law firms; publishing houses; advertising agencies; airlines; shipping and rail companies; and print and broadcast media. A complete list of Canadian companies in the U.K. is available from the Canadian High Commission. There is also an active Canada/U.K. Chamber of Commerce which is strongly supportive of trade and investment flows between the two countries.

Some of the more important points to remember when studying the British markets are listed below.

Demand for the Product. Determine the extent to which a product may need to be adapted to meet local tastes and regulations. Be prepared to be flexible if you are serious about selling in Britain.

Tariff and Other Trade Access Regulations. These are available from the European Community Trade Policy Division of External Affairs and International Trade Canada and are necessary for the development of c.i.f. prices to a U.K. port.

Domestic and Foreign Competition. If you don't already have a good knowledge of the competition, enquire at the Canadian High Commission in London.

Stereotypical Views. Although Canadians are seen by the British as "trustworthy" business partners, Canada is viewed as geographically remote and more as a traditional supplier of raw materials than as a modern hi-tech industrial society. Extra effort must be made to convince the British buyer of Canada's capacity to supply a quality product and to support it with good after-sales service.

Distribution Channels. Many successful exporters to Britain have found it necessary to adapt to British methods of distribution, which are not always the same as in Canada. A little research will give you a good indication of whether an agent, a stocking distributor, a direct sales program to chain organizations, or a small branch sales operation would be the most efficient and effective distributor. Again, the Commercial Division of the Canadian High Commission can provide guidance.

In summary, Britain, as one would expect, is an active and mature market, a niche market, but a rewarding one for those who are competitive and persistent and who have the resources to take the long-term view.

IV. DENMARK

Denmark is principally a secondary manufacturing country with at least the technological capacity of Canada. Denmark has a free enterprise economy and the great majority of businesses are privately owned. Manufacturing, the most dynamic sector, is made up mainly of small but highly specialized units. Traditional aquacultural production has been successfully expanded into an advanced food processing industry. In addition, the brewing industry and the metal-working industry, particularly machinery fabrication, have attained importance. The "newer" industries such as plastics, pharmaceuticals, chemicals and electronics are thriving. Denmark is a good market for Canadian products and has not been fully exploited.

Because of the country's size and the compactness of the market, foreign firms generally appoint one exclusive representative for Denmark. There can be occasions when a local firm asks for representation for all Scandinavian countries because it deems the Danish market too small to warrant its activities. Canadian exporters are advised to consult the commercial counsellor at the Canadian Embassy in such instances before granting the representation. Remuneration of a representative may take the form of commission only, salary only, or a combination thereof.

Correspondence supported by adequate price and product information may be sufficient to attract initial interest. Business letters in English are generally acceptable (very few Danes speak or write French).

Prices should be quoted in Canadian or U.S. dollars, preferably c.i.f. Copenhagen, to permit comparison with competing goods. Pricing decisions should be made with a precise and up-to-date awareness of the combined impact of currency exchange rates and ocean freight rates on your products' competitiveness relative to those of nearer European suppliers.

There is no standard method of payment in Denmark. Payment on sight or within 30 to 60 days is usual. For capital goods, payment is within 90 to 120 days, occasionally 180 days. Quotations should be accompanied by an adequate supply of descriptive literature and samples for distribution to potentially interested agents and/or buyers.

Trip Preparation

When planning your visit to Denmark, advise the Commercial Division of the Canadian Embassy in Copenhagen well in advance. Please state the objective of your visit and the type of company you wish to call on, and send several sets of literature with a c.i.f. Copenhagen price list, your terms of payment and delivery, agent's commission and other relevant data. With this material at hand, the Commercial Division will be pleased to assess the potential for your products and, if suitable, set up a program of appointments for you.

Visitors to Denmark should ask their travel agents to make all travelling and hotel reservations well in advance as hotel accommodation can be difficult to obtain. Visitors planning to come during the May to September period would be well advised to arrange for hotel accommodation several months ahead. However, in July it is virtually impossible to do business in Denmark as firms close for extended periods. You will find that samples convey a more eloquent sales message than even the most handsomely printed literature, so whenever possible bring them along. Business cards are a must.

"Wonderful" Copenhagen is the tenth most expensive European capital. First-class hotels and restaurants are expensive by Canadian standards. Prices already include a 22 per cent value-added tax, plus a 15 per cent service charge.

The most practical way to get around Copenhagen is by taxi, and normally you can go from one appointment to the next in 20 minutes or less. Do not tip as this is included in the price shown on the taximeter.

For visits out of town, there are frequent scheduled flights to 13 provincial airports and a good range of train connections. At times it is more convenient to drive a rented car.

When should you come and how long should you stay? The best months are September to May; two or three days are usually adequate for your visit.

We suggest you advise the Commercial Division of the Canadian Embassy in advance of your visit and, on arrival, you can be briefed before starting on your round of calls. It is a must to arrive punctually for all your appointments. Should it not be possible to keep an appointment, cancel it by telephone.

National Regulations

Labelling Standards. With the country being a member of the EEC, harmonized legislation is becoming more and more prevalent in Denmark. However, some national rules still exist and the exporter should confer with the importer as to Danish requirements. It is also the responsibility of the importer to acquire veterinary and other import certificates where necessary. A list of prohibited additives in foodstuffs is available from the Commercial Division of the Canadian Embassy in Denmark.

Samples. Samples of negligible value or unfit for use may be imported free of customs charges into Denmark. Regular travellers' samples may be admitted without recourse to the customs tariff for a period of one year if a surety bond is deposited, subject to refund when the samples are exported.

Alternatively, trade samples or goods imported for a specific purpose on a temporary basis may be duty and tax paid upon entry and a refund claim filed for reimbursement of these charges upon proof of export. Importers wishing to avail themselves of this system must make prior arrangements with Danish Customs authorities.

Canadian exporters may avail themselves of the ATA Carnet to cover commercial samples used for display or in taking orders (see Chapter 1, "Temporary Entry — Carnet").

V. FRANCE

Many Canadians may be surprised to learn that France, with a GNP approximately twice that of Canada, is the fourth largest industrialized nation in the Western world. For example, it is the Western world's third largest importer of petrol, machinery and transportation equipment, third largest consumer of meat and buyer of passenger cars, and is second in aeronautical manufacture.

With this in mind, you may wish to promote your products in this market and the best way is in person. The following hints may be helpful in your preparations.

- Be specific in describing the objectives of your visit to trade commissioners, potential clients and others.
- Be on time for appointments. The French work by the clock and first judgement is based on punctuality.
- Be prepared to talk prices, quantities and delivery preferably in local terms.
- Be thorough in your follow-up. Both your potential agent/client (and the trade commissioners if you wish them to help) need prompt, comprehensive replies.

The Business Visit

Trip Preparations. France does not require that Canadian visitors obtain visas.

The following factors should be considered:

- seasonal aspects (if applicable);
- holidays: the French are all on holidays in August and it is unwise to plan a business visit during that month unless prior appointments have been made.

A business trip could also be planned to coincide with a commercial exhibition involving the trade you may wish to contract; France has at least 60 international events a year of this kind, with professional attendance averaging 60 000 a show. Check with the Commercial Division of the Canadian Embassy in Paris for appropriate trade shows and schedules of exhibitions. If you visit during a show, book your hotel well in advance as there is often a shortage of rooms.

Who Should Go? French ways of thinking and negotiating practices are unlike those of Canadians. Thus the choice of who should make the trip is of utmost importance. Depending on the purpose and the organization of your firm, it would be advisable to choose the business manager or the chief of export sales for market survey or sales promotion; a competent technical expert or an engineer if technical considerations are paramount; or the head of the firm if an important contract is to be signed.

The person chosen should be briefed on the business practices, geography and history of France. A keen interest in doing business with France should be evident to the prospective client — the French respect a healthy aggressiveness and an appreciation of their market. They also appreciate adaptation to local social graces, whether this means religiously shaking hands on meeting and parting, using titles rather than names (Monsieur le Directeur rather than Monsieur Smith), or attending a two-and-a-half hour lunch. First names are seldom used.

The English-speaking Canadian businessperson is well advised to have an interpreter if a French host cannot speak English. If your French is barely passable, don't use it because it could negotiate you into a jam.

Canadians should be familiar with their business, products and competitors; have practical selling experience; have some knowledge of financial and legal matters (the Canadian trade commissioners in Paris can recommend Canadian lawyers practising locally who are proficient in French legal requirements); and be familiar with the procedures of French and international trade.

Your Product. Quality, price and presentation are essential everywhere. You should also be aware of import regulations, duties and taxes, standards (CSA approval is not automatically accepted at CSA's equivalent, AFNOR), packing requirements, local production, import and export statistics, distribution methods, and consumer habits and tastes. One of the purposes of your trip will be to determine whether any adaptations or changes to your product are necessary.

Literature. It is important that you provide sales and technical brochures. These should be in French and units of measurement in metric units.

If you want the trade commissioner to assist you in linking up potential customers, agents or distributors, you should send a dozen sets of your literature with prices to allow them to canvass the trade effectively. Phone calls sometimes work, but the prospective French client prefers to have documentation in hand before agreeing to a meeting. Such literature should be sent to the trade commissioner as far in advance as possible (at least two months prior to your trip). For your visit bring:

- catalogues and price lists (French francs and dollars, both f.o.b. and c.i.f.);
- technical specifications;
- references;
- samples (if appropriate);
- business cards (lots of them and in French, if possible); and
- your firm's stationery and letterhead.

Representation. Representatives, distributors and agents in France are often wary and misinformed about Canadian suppliers. The North American habit of imposing large quotas for first year sales, as well as 30-day payment terms, tend to get short shrift. The French custom is to test the market slowly and to pay even more slowly — 90 to 120 days is not uncommon.

There are intricate laws governing the legal relationships between principals and representatives, salespersons and agents, and rescinding an agreement is complex and costly. Before appointing a representative or a commercial agent, check with a French lawyer or ask the trade commissioner for some advice. One suggestion is to agree to a one-year trial period.

Follow-up. Upon returning to Canada, you should send a thank you letter to all the people you met on business; confirm any arrangements agreed upon or discussed at meetings (the French are more sensitive than most Europeans about lack of follow-up); and send copies of relevant correspondence (agency agreements, problems which could be solved by a local call) to the trade commissioner.

Miscellaneous. The Royal Bank of Canada, the Canadian Imperial Bank of Commerce, the National Bank of Canada, the Bank of Montreal and the Bank of Nova Scotia have resident representatives.

Other Canadian services with offices in Paris include several law firms, stockbrokers, insurance companies, one advertising agency, two consulting engineers, a computer rental company, a firm offering computer time and services, and transportation firms such as Air Canada, Canadian Airlines International, Wardair, Canadian National and Canadian Pacific shipping.

National Regulations

Labelling. For all consumer products, it is compulsory that the directions for use and warranty certificate be in French and the measures in metric units. Special labelling requirements apply to fresh fruit and vegetables, preserved and semi-preserved fruits and vegetables, quick frozen foods, food additives, coffee, and textiles. Electric motors must be labelled indicating their conformity to EEC standards.

Fresh fruit and vegetables from Canada and other countries must be labelled as to country of origin, variety, quality and class according to the EEC grading system. Preserved and semi-preserved fruits and vegetables must bear the date of manufacture on the outer wrapper or container.

Prepackaged foods must be marked with an optimal date of utilization.

Any product illegally bearing a trademark, trade name, or commercial mark is subject to seizure at the time of importation.

Hallmarking. Articles of gold, silver or platinum may be imported into France only when they meet the standard requirement by law for similar articles of French manufacture. Such importations, even of semi-manufactured articles, must be sent under bond to the Bureau de la Garantie in any major city to be assayed and stamped.

Certificates. Certificates of origin are required for shipments processed or transformed in countries other than the country of origin, natural mineral waters, certain carpets and rugs, coffee and textile items. Certificates of origin may be certified by the Canadian Chamber of Commerce or a board of trade.

French regulations specify that an indication of origin must appear on all foreign products, natural or manufactured, which bear on their packing or their labelling a trademark,

name, sign, or any other indication that might give the impression that the products are of French origin. Corrective marks of origin must be in French (i.e., Importé du Canada or Fabriqué au Canada) and no abbreviations are acceptable.

Health or sanitary certificates are required for food products of animal or marine origin and for fresh fruit. Importations of live horses, asses, cattle, goats, embryos and other such animals, poultry, game birds and hatching eggs require a health certificate signed by an official of Agriculture Canada.

Plant and shrub shipments must be accompanied by a phytosanitary certificate signed by an official of Agriculture Canada. Fodder plant seeds require a certificate of purity. It is advisable to contact the Food Production and Inspection Branch of Agriculture Canada, for animals and animal products and for plants and plant products, either in Ottawa or at the office in your region to determine the conditions that must be met.

All industrial machinery must be certified as conforming to the French Labour Code, although a declaration from the exporter is adequate for this purpose. Because of the strictness of Canadian regulations, most machinery produced in Canada meets French standards. Any machinery that could be considered unsafe due to exposed blades, chains or gears, must be approved for safe operation.

Documents accompanying imports must be available in French. Under the legislation, however, a translation by the importer at the time of entry of the products is acceptable.

Samples. Samples of commercial value, belonging to travellers but not included in their baggage, that are imported under temporary duty-free admission procedures must be proved to be intended for the commercial traveller by means of the "carte professionnelle."

All commercial travellers in France, regardless of nationality, must hold a "carte professionnelle." For further information, contact the French Embassy or consulate.

Alternatively, trade samples or goods imported for a specific purpose on a temporary basis may be duty- and tax-paid upon entry and a refund claim filed for reimbursement of these charges, upon proof of export. Importers wishing to avail themselves of this system, must make prior arrangements with Customs authorities.

France is a signatory to the Customs Convention concerning the ATA Carnet for the temporary admission of goods which provides that samples of goods accompanied by a Carnet may be carried through foreign customs without posting bond at each border. These Carnets are issued in Canada by Carnet Canada (see Chapter 1, "Temporary Entry — Carnet").

Special Regulations. France has special regulations governing a number of commodities including aerosols, pesticides, foodstuffs, honey, bees, vehicles, cosmetics, additives, hazardous substances, aircraft, refrigerators, toys and lumber.

VI. THE FEDERAL REPUBLIC OF GERMANY

General Information

Whether it is the stylized star on the hood of a Mercedes, the word LEICA engraved on a 35 mm camera or simply the words "Made in Germany" printed on a package of Bayer medicine, German products are internationally recognized for their high quality and dependability. To a consumer, these attributes are normally associated solely with product itself.

Germany (F.R.G.) is the second largest trading nation in the world because of a reputation for delivering on schedule, meeting contracted standards of quality and ensuring quick, efficient after-sales service.

It is not surprising that German buyers expect these same attributes to be associated with goods offered from abroad. Between the broad German industrial base and the wide spectrum of freely imported goods, Germany is a buyer's market. While such a degree of competition may discourage many suppliers, a market for imported goods in excess of \$270 billion (currently Europe's largest import market) makes the effort worthwhile.

Preparations. The exporter needs to be very well prepared before attempting to launch a product into the German market. As a first step, exporters should contact one of the Canadian trade offices in Germany. This can best be done by sending detailed literature including all relevant pricing information for redistribution, and permitting sufficient time for the trade commissioner to canvass the market. Where feasible, literature should be printed in German and measurement given in metric units.

Whom to Contact. In order to give exporters a comprehensive market overview without having to contact three different posts, the trade offices in Germany have adopted the "Prime Post" system in which each office has overall responsibility for particular products. The following should be used as a guide in determining the initial contact point.

When in doubt, exporters can depend on the mission to make any necessary reroutings.

- Düsseldorf**
- health care products
 - fish and food products
 - electrical energy, oil and gas
 - most machinery
 - forest products
 - minerals and metals
 - consulting services, capital project co-operation
 - clothing and furniture
 - furs and textiles
 - environmental machinery

- Bonn**
- defence products
 - basic telecommunications equipment and services
 - bulk chemicals
 - bulk agricultural commodities
 - books, musical instruments
 - shipbuilding and ocean industries
 - security equipment
 - policy and regulatory matters
 - environment technology and services

- Munich**
- aerospace
 - automotive and surface transportation equipment
 - electrical and electronic products
 - computers and computer software
 - leisure and recreational products
 - medical equipment and instruments
 - film, video and sound recording equipment and services
 - enhanced telecommunications equipment and services

About the Market. The German market is too large and diverse to approach as a single unit. Although for some products, such as precious jewellery, a major share of the wholesale market is concentrated in one geographic area, it is more generally true that specific markets are spread throughout the country. The area or areas of concentration should be chosen carefully.

Market Penetration. By far the best sales vehicle for the German market is the appropriate vertical trade fair combined with individual marketing itineraries. Germany

has more world-class specialized industrial trade fairs than any other country, with marketing opportunities that go beyond the German market. Because of the established international reputation of German trade fairs, the impact of one's exhibit extends well beyond the F.R.G., throughout Western Europe and, in many cases, to markets as far afield as the Pacific Rim. Detailed information on major fairs is readily available from any of the three Canadian trade missions in Germany or from the Western Europe Trade, Investment and Technology Division of External Affairs and International Trade Canada in Ottawa.

Depending on the nature of the product and the schedule of trade fairs, it may be more effective to plan a business visit to Germany or invite German buyers to your facilities in Canada. Canadian export assistance programs are available in both cases. In addition, there are a number of organizations, industrial associations, and trade journals which can facilitate market research. Canadian exhibitors and business visitors to trade fairs are able to obtain VAT refunds for costs of goods and services.

Channels. Food products and raw materials normally enter the German market at the bottom of the distribution chain while capital goods and semi-processed materials are well divided between importers and end-users. Consumer products face the broadest spectrum ranging from importers, agents and wholesalers to department stores, mail-order houses and buying co-operatives. Naturally, each intermediary in the chain adds to the total mark-up. For many products, however, the broader market exposure and specialized services provided by intermediaries make their use economically advantageous. The German Armed Forces procure directly through the German Army Procurement Office (BWB) in Koblenz. The Embassy can facilitate contact with this organization.

When to Visit. Vacations are important to German businesspersons and offices are often left with skeleton staff during the summer. Consequently, visits during July and August are ill-advised. In addition, established purchasing habits and seasonal considerations, particularly for consumer goods, are important factors to consider in scheduling your visit. The trade office should be consulted for advice in this regard. Where practical, it is often advantageous to pick a time for your visit which coincides with an appropriate trade fair.

Other Considerations. As a German buyer's impressions of the product and its supplier are often of equal importance, the visiting Canadian exporter should be prepared to demonstrate the following attributes:

Awareness of Local Customs

Punctuality, politeness and a degree of formality are more highly significant to German businesspersons than to their North American counterparts. Lack of adherence to these established norms may jeopardize the outcome of an important initial meeting.

Competence

It is not enough to carry samples and an ex-factory price list. A thorough knowledge of your product including delivery periods, shipping costs, service requirements, extent of distributor support and performance characteristics, is essential. A list of references is also useful. It is important that the Canadian exporter have evidence of past export success or at least an established Canadian market. While German buyers will normally convert prices to deutschmarks (DM) and add in relevant duties and taxes, some knowledge of these factors is desirable.

Flexibility

Germany is a buyer's market with practices which are sometimes quite different from Canadian norms. Proposals for modified packaging, credit terms, correspondence in German, or for other deviations from your usual business practices should be evaluated in accordance with the expected benefits, rather than being immediately rejected as too demanding.

Realism

The German market is too competitive to be a short-term moneymaker. The pay-off comes through long-term involvement, and all facets of your export program (promotional support, profit objectives, product modifications, etc.) should be formulated with this sort of time frame in mind. Most German businesspersons will not risk their reputation by becoming overly dependent on an unproven supplier. It is the norm for sales to start off slowly, but increase as a company's track record is established.

National Regulations

In general, regulations in Germany are quite manageable. But it is part of an exporter's preparation and an obligation of the importer to meet any regulatory standards concerning contents, labelling, sizing and quality.

Labelling. The Federal Republic of Germany's food labelling ordinance provides that meat and meat products, fish and fish products, crustaceans, molluscs, dairy products, vegetables and vegetable preserves including mushrooms, honey, artificial honey, table syrups, fruits, nuts and preparations of fruit or nuts, egg products, spices, starches, coffee and coffee substitutes, tea, and other similar products be labelled to indicate the name and location of the producer or packer, contents according to the usual trade name, quantity in metric measurement, durability (shelf life), manner of preparation, list of ingredients including additives or keeping agents, etc.

These requirements may be met either by the manufacturer in the exporting country or by the importer in the Federal Republic, following importation of the goods under customs supervision.

Imported goods which fail to conform to the German labelling regulations, or for which no provision has been made prior to their arrival at the port of entry to assure conformity with the regulations, are refused entry. Further information on labelling practices should be obtained from the German importer prior to shipment of the goods, since the German importer is obliged by law to inform the foreign supplier of all labelling or marking requirements and the exact German text to be used.

Certificates of Origin. With the exception of textile products, German regulations do not normally require certificates of origin. Importers may be requested to submit certificates of origin for goods subject to quota restrictions, certain non-liberalized agricultural products, and for other imports subject to preferential tariff treatment. Two copies are required, certified by a recognized chamber of commerce or board of trade. No special form is necessary but whatever is used must be complete with the description of goods and the name and address of the manufacturer and/or shipper, marks and numbers of the packages and their contents, value and mode of transportation. In cases where certificates of origin are not required by law, the German Customs authorities may request proof of origin in the form of shipping documents, invoices, correspondence or other documentary evidence.

Health Certificates. Shipments to Germany of certain fish products, fresh fruit, fresh or processed meats and live plants must be accompanied by a certificate of health

issued in the country of origin, attesting to the fact that the goods are free of disease or parasites. Meats must originate from Canadian export plants approved by the European Community. Fish must be certified as being free of parasites (nematodes).

Sanitary Certificates. Sanitary certificates are required for imports of live or dressed poultry and hatching eggs, game birds, and feathers from domestic poultry or wild birds, certifying that they are free from infectious diseases, including Newcastle disease.

Veterinary certification is mandatory for imports of horses and dairy cattle declaring the exported animals and the herd from which they originated are free of brucellosis and other contagious diseases. Certification is also required for imports of semen.

Samples. Samples of no commercial value and those made unfit for commercial purposes under Customs supervision are admitted free of duty. Samples sent only for testing purposes are also granted duty-free entry. Samples regarded as having commercial value are subject to the same rates of duty as commercial shipments of the same product.

Samples may be admitted under bond and against deposit of the amount of duty for a period of one year. Duties are fully refunded upon export of the samples, which need not take place through the original port of entry (see Chapter 1, "Temporary Entry — Carnet").

Alternatively, trade samples or goods imported for a specific purpose on a temporary basis may be duty- and tax-paid upon entry, and a refund claim filed for reimbursement upon proof of export.

Importers wishing to avail themselves of this system must make prior arrangements with Customs authorities.

Import licences are not required for bona fide samples entering Germany in reasonable quantities and which are not intended for sale.

Exemption from customs duties does not apply to roast coffee, coffee, coffee or tea extracts, ethyl alcohol, tobacco products and cigarette paper.

Special Regulations. Special regulations are in effect for some commodities including equipment, chemicals, seeds and planting material, cosmetics, lumber, motor vehicles, meat and fish.

VII. GREECE

Since Greece became a member of the EEC in 1981, there has been a transitional period — different for each sector of the economy — as many Greek tariffs, rules and regulations involving imports have been adjusted to those of the Common Market. More harmonization is still required, especially in the financial sector, and all changes will be completed by 1992. The ultimate result has been improved access for European Community industrial and agricultural goods; however, the present value of the Canadian dollar creates a broad range of export opportunities for Canadian products as well.

General Information

Greece is a relatively small market (9.9 million people) and its economy is characterized by a strong service sector (shipping and tourism) representing 57 per cent of GNP and a small industrial sector representing 19 per cent of GNP. Thus, it must import a broad range of products to fill its needs. The large deficit in the trade balance, approximately US\$5.6 billion, is counterbalanced by large positive net receipts from tourism, shipping, EEC contributions and migrants remittances.

Greek import procedures have been greatly simplified by the implementation of the EEC import rules and the elimination of import licences and prior deposits on May 1, 1987, but there are still complex rules and exchange control regulations. Canadian exporters are advised to contact the Commercial Division of the Canadian Embassy in Athens which can provide a broad range of commercial advice and the names of possible agents.

Banking. The Bank of Nova Scotia maintains three branch offices in Greece.

Transport. Air Canada and Canadian Airlines International both maintain sales offices in Athens. Several direct shipping lines also operate.

National Regulations

Import Permits. As a general rule as of May 1, 1987, import licences are no longer issued by the Central Bank of

Greece, but by intervening banks. Import licences for specific products are still issued by the Central Bank, depending on whether they are in scarce supply or considered to be high-technology items. Lists of such products are available from the Greek Ministry of Commerce.

Import Foreign Exchange Control. Permission is still required to obtain the foreign exchange necessary for payment. No shipment exceeding specified amounts should be made without prior approval as fines will be imposed by the Greek import authorities. This is extremely important. Before permitting loading, exporters should have an assurance by letter or telex from the consignee that approval has actually been obtained.

Certificates of Origin. In order to obtain minimum or common rates of duty, goods originating in Canada must be covered by a separate certificate of origin issued by a chamber of commerce and/or the Greek Consulate. This certificate must always accompany the shipping documents. For trans-shipped goods, the certificate of origin must be issued by the Greek Consulate. A certified declaration made by a manufacturer on an export invoice may be accepted in place of a separate certificate of origin.

Greek regulations require declarations of origin to be made by the manufacturer or actual exporter and not by an agent or shipping agent on their behalf. Failure to observe this requirement is likely to result in rejection of the certificates by the Greek authorities.

The certificate of origin is a separate and distinct document. A declaration of origin contained on an invoice or other document is not acceptable in its place.

Sanitary Certificates. Shipments of animal and live-stock products, including hides and skins, must be accompanied by a sanitary certificate certified by a Greek consul in the country of origin. Agriculture Canada may issue other certificates as required.

Greek import regulations for these products are strict and a full set of regulations applying to the product should be obtained and examined carefully to ensure conformance prior to shipment.

Phytosanitary certificates are required to import plants (fresh vegetables, seeds, potatoes, etc.) and forestry products (i.e., lumber free from endoconaliphora fagaceary

bretz). These must be issued by the Food Production and Inspection Branch of Agriculture Canada and do not require a Greek consular visa.

Labelling. Most products are subject to labelling regulations including textiles, alcoholic beverages, feed, meat, poultry, medicines and pharmaceuticals. Labelling on canned foodstuffs must show contents, composition, metric weight, origin, date of manufacture, name of manufacturer and expiration date. Food containers should include, in Greek, the name and address of the Greek agent, importer or packer, content, net weight or volume in metric and country of manufacture.

Special regulations apply to goods imported into Greece for repacking or reprocessing for retail sale. Goods imported for direct retail sale are not affected unless for personal domestic consumption or use (food, non-alcoholic beverages, soaps, etc.). After testing and approval by the Greek state laboratory, their label must show the name of the manufacturer, brand and contents in Greek, and, if possible, in two foreign languages. The name and address of the Greek agent must also be listed.

Alcoholic beverages must be approved by the Greek state laboratories. A label, indicating origin and alcoholic content (according to Greek regulations) must be issued by this organization and affixed. It is not necessary, however, for the supplier's label and any other identification marks, to be in Greek.

For pharmaceuticals and patent medicines, a circulation permit must be obtained from the National Pharmaceuticals Organization (EOF). These products may be circulated with the same markings and labels as used in the country of origin and should list contents by percentages, manufacturer's name, brand name and address of the agent in Greece. The retail price must also be listed on a perforated label which can be removed to support claims for reimbursement from social insurance funds.

Samples. Samples of goods of no commercial value are admitted duty- and tax-free. Each importer/representative is granted an exemption from duty for samples of values up to 4000 dracmae per year. Other kinds of samples are subject to import charges unless they are made unfit for sale as merchandise but not to the extent of destroying their usefulness as samples.

Samples of value, when carried or temporarily imported, may be cleared through customs against a cash deposit or an acceptable bond to cover the amount of duty and taxes involved. The deposit is refunded or the bond released upon export of the samples within six months from the date of entry. An extension may be granted if applied for before the original term expires.

Greece is a member of the international convention to facilitate the importation of commercial samples and advertising material, so Canadian exporters may use an ATA Carnet (see Chapter 1, "Temporary Entry — Carnet").

Special Regulations. Import licences are required for luxury items and importers must obtain prior "approvals" for all shipments. It is recommended that goods not be shipped without confirmation of approval by the importer. Other regulations are applicable to lumber, plastic food containers, cosmetics, meat, poultry, fish, seafood, veterinary medicines, pharmaceuticals, etc. Verification of regulations affecting commodities may be made through the importer.

For each separate product, Canadian exporters are advised to investigate with their agent whether special regulations exist in Greece. Exporters should also mention the EEC tariff number applying to their product on all documents.

Free Trade Zones. Greece has two free trade zones, Piraeus and Thessaloniki. Sorting, labelling and repacking may take place within their boundaries. Some processing is permitted at Thessaloniki. Explosives, poisonous or other dangerous goods are prohibited entry to these zones and other goods such as items subject to high rates of customs duty are either prohibited or restricted.

VIII. IRELAND

The Republic of Ireland is a small country on the periphery of the EEC. The population totals some 3.5 million of which 50 per cent is under the age of 25. There is a growing educated youthful labour force, with a lifestyle similar to that of the U.K.

Despite recent discoveries of metallic ores and gas, and signs of oil in Irish waters, Ireland is heavily dependent on international trade, particularly with the U.K. and the United States, as well as with the remainder of the EEC.

At its present stage of industrial development, Ireland must import almost all machinery, raw materials and materials for further production, with some exceptions such as animal feed, milk and meat. As the industrial sector expands, a growing proportion of its output must be sold abroad and a higher proportion must be imported. Transportation costs and inadequacies in infrastructure, especially road transport, add to these industrial costs. As a result of an extensive investment program, telecommunications services (digital switching, fibre-optic links, etc.) are now good. Any disadvantages have been offset, first, by incentives which have increasingly taken the form of grants toward the cost of industrial investment, the training of workers and the development of export markets and second, by relief in the form of lower corporate tax rates on industrial firms, or accelerated depreciation allowances.

Because of Ireland's extensive dependence on imports, distributors and agents are well established in virtually every product sector, especially for EEC manufacturers. Historically, many products reached the Irish market through U.K. distributors. However, due to the recent and rapid expansion of Ireland's trade and contacts with EEC members, the advantageous position once enjoyed by U.K. distributors is eroding significantly. This is partly due to Ireland's move to the European monetary system, which ended the long-standing parity between the Irish and U.K. pounds.

Canadian exports to the Republic of Ireland in 1988 were C\$215 million. These exports represent all sectors, industrial as well as resource and agriculture. By order of importance, exports are aircraft and parts, computers and parts, telecommunications equipment and parts, lumber, wood

pulp, tobacco, viscose fibres, peas/beans, newsprint, salmon and potassium chloride.

Companies have established themselves in the Republic of Ireland in various forms — some with equity positions, some in joint ventures and others with subsidiaries. Most use Ireland as a manufacturing, assembly or service industry base within the EEC market because of the very generous incentives offered by the government. In addition, they can avail themselves of customs free access to other EEC markets.

National Regulations

Labelling. Country of origin is not required on the product unless lack of such information could mislead the consumer. Specific regulations relate to textiles (fibre labels), upholstered furniture (ignitability) and foodstuffs. Regulations governing foodstuffs are most comprehensive.

The Merchandise Marks Act, 1970, requires that prepacked goods be in standard quantities, and that containers bear the name and address of the packer or importer and be marked with an indication of quantity of contents by weight, measure or number.

Prepacked food labelling requirements are based on EEC Directive 79/112 and must show the following:

- name of food;
- net quantity in metric units;
- date of minimum durability, i.e., "best before" date;
- any special storage conditions or conditions of use;
- name and address of manufacturer or of a packager or seller based in the Community;
- particulars of the place of origin if the absence of this information might mislead the consumer;
- instructions for use where necessary;
- a list of ingredients under the heading "Ingredients";
- the "best before" date of minimum durability; and
- the name or business name and address of the manufacturer, packer or seller established within the EEC.

Consumer demand is for even more labelled information, e.g., salt levels. Consequently, new regulations covering a wide range of information are expected in the years ahead. Harmonization within the EEC will introduce a host of new regulations and standards.

Hallmarking. All imported articles of gold or silver plate, except work of an oriental pattern and antiques manufactured prior to 1880, must be assayed, stamped and marked at the Dublin Assay Office.

Certificates. Phytosanitary certificate requirements for shipments of plants, vegetables, cut flowers, etc., are specified in various sanitary and plant quarantine regulations. Because of the complexity of these regulations, exporters should seek current information about export requirements from Canadian agricultural authorities at the time of shipment. Specific import licence regulations also apply to imports of animals, fish, poultry, wines, eggs, meat, dairy products, food additives and medical preparations.

Samples. Samples of negligible value are duty free. Other types of commercial samples can be entered temporarily by posting a bond (cancelled or refunded at re-export) to cover the amount of normal customs duty and taxes chargeable. Canadian exporters can facilitate temporary free entry of Canadian samples into Ireland by obtaining an ATA Carnet (see Chapter 1, "Temporary Entry — Carnet").

Special Regulations. Licensing requirements are in effect for a number of products including domestic pets, poultry imports, fowl pest vaccine, meat, animal and dairy products and bottles. Other regulations apply to cosmetics, clothing, proprietary medicines, eggs, hydrocarbon oils, etc. Verification of regulations affecting commodities may be made through the importer.

Free Trade Zone. A duty-free airport is located at Shannon. It is excluded from the scope of all laws with a few exceptions relating to the importation of goods between the airport and foreign countries. Among the restrictions which remain in force are those relating to public health, animal and plant diseases, currency, dangerous drugs and used clothing. Goods stored in a free zone are exempt from examination. Processing, sorting, grading or repacking may take place within its boundaries, and buildings required may be erected by interested persons or concerns leased from the State. There are no customs-free seaports in Ireland.

IX. ITALY

Italy offers excellent sales opportunities to persistent and patient exporters.

Italy's industrialization has been rapid and spectacular. Since the late 1940s, Italy has gained a solid and well-deserved reputation as a producer of consumer goods (clothing, shoes, furniture, domestic appliances), chemicals, steel, sophisticated electronic goods, machinery and many other products that continue to be reliable and competitive on international markets. At the same time, Italy is resource-poor and must import most of the raw materials for industry as well as a large share of its requirements for foodstuffs — mainly cereals and meat.

When studying the Italian market, it is necessary to be both thorough and exacting. It is difficult to identify potential clients in a nation of more than 57 million with in excess of one million retail establishments and nearly 100 000 wholesale outlets. In addition, the country is somewhat polarized between north and south and there are different variables at work in each area.

Before visiting Italy, plan your objectives well. If your initial purpose is only to gather market information, it may not be necessary to make a trip. Given the proper data on your products, the Canadian trade commissioners in Milan and Rome may be able to do much of the preliminary marketing work. The Rome office is responsible for Italy from Florence south; the Milan office covers Italy north of Florence. General enquiries should be sent to both offices and the fact that such has been done should be clearly indicated in your letter.

If it is necessary to make a personal visit, carefully identify and indicate to the trade commissioner the type of contacts you wish to meet, i.e., a wholesaler/agent/distributor of the same products or of complementary products. If your marketing program envisages a licensing or co-operative venture in production, make this clear from the outset so that potential local agents can be made aware of your plans.

Trip Preparation

In preparation for your trip to Italy, a number of considerations are important.

Italians tend to be conservative in their business relations and appreciate a formal and polite approach. If your contact has a title (Dottore, Ingegnere, Professore, etc.) always use it. Handshakes, presentation of business cards and other trappings of the European business world are even more appreciated by Italians when they realize you are making an effort that is not normally part of the North American milieu.

Italian is the language of commerce in Italy. There are many businesspersons, particularly in northern Italy, who speak French or English but remember, as they are not their first language, idioms or rapid conversation will only confuse matters. For your initial visit, someone from the trade commissioner's office may be in a position to accompany you to assist in communications. For routine visits to established agents, you may wish to hire an interpreter.

Keep in mind that the Italian market is very competitive. Come to Italy with all the information about your product including c.i.f. prices and brochures (which are very important). If your brochures are printed in English and French only, translate at least the key sections (including technical descriptions) into Italian and append this sheet to the brochure. It is a small expense that will take your product a long way. In addition, use a freight forwarder to make a study of transport facilities (cost, mode, frequency, delivery time) to assist a potential buyer in evaluating the cost and benefits of your product. Be sure to use INCOTERMS when quoting (see "Trade Terms and Agreements" below).

The timing of your trip is very important. There are frequent trade fairs in Italy and other EEC countries and a visit coinciding with one covering your product sector will provide a unique opportunity to view the competition and obtain precious market intelligence not just on Italy, but on its neighbours as well. Also plan your trip taking into account the Italian holiday schedule. Besides the holidays celebrated in Canada (e.g., Christmas, New Year's Day, and Easter), Italy celebrates other national and religious holidays such as Epiphany (January 6), Liberation Day (April 25), Labour Day (May 1), and All Saints Day (November 1). It is especially important to note that most Italians still take their annual vacations in August, and thus many businesses are shut down for several weeks during the period from mid-July to mid-September.

Conducting Business in Italy

When you arrive in Italy, it is advisable to contact the trade commissioner to check for any last minute changes in schedules or appointment venues.

It is preferable to make appointments with prospective Italian business contacts. However, some of your new contacts may not follow appointment schedules too rigorously. Be at the appointed place on time, but be prepared for a short delay.

At your meetings, be well-informed about your competition in Italy, pointing out the advantages of your products using local terms and standards (i.e., currency, metric units, etc.). If your potential client cannot make an immediate comparison, valuable time and continuity may be lost. Quote prices in Canadian dollars if you have not had time to convert prices into lira.

Once you have visited all your potential agents/buyers/etc., and have made your presentations and offers in the most professional and complete manner possible, always confirm your quotations by telex upon your return to Canada. Italians (and Western Europeans in general) do not always make immediate decisions, at least by Canadian standards. Patience and persistence must be your strategy. Through direct personal contact and through the trade commissioner, you must persevere. Any lapse in your interest will certainly produce the same on the part of your Italian contact. Bear in mind that your prospective business partner has not seen you before and is interested in determining how serious you are about entering and staying in the Italian market. While this may take several visits, Canadians are often pleasantly surprised to find that business contacts once established in Italy are lost much less often than in many other world markets.

National Regulations

Customs. Definitive information on Italian tariffs is available only from Italian Customs authorities. However, preliminary data on duties, value-added taxes and other market access questions can be obtained from the European Community Trade Policy Division of External Affairs and International Trade Canada.

This information should be confirmed with Italian Customs in advance of shipment.

Labelling. Italian labelling laws are chiefly concerned with product composition and name and location of manufacturers. Products subject to special requirements include packaged foods, distilled spirits, wines, cement, lime, medicines and certain musical instruments.

Labelling of foodstuffs must indicate the packer's name and address, brand name or trademark, nature of contents and quantity in metric measurement, additives in order of importance, information necessary for preserving, defrosting and preparing, and shelf life. Due to the complexity of labelling regulations, all labels should be checked with the Italian importer prior to shipment.

All textile products must be labelled to indicate their fibre content, trademark or style mark of the importer, producer or retailer, and all wording must be in Italian. Certificates of origin are required for each shipment of textile products into Italy.

Canadian exporters of textile products should contact the Italian importer for details concerning the specific marking requirements for garments that incorporate a variety of fabrics and fibres into a single item of clothing.

Hallmarking. Hallmarking by authorities is required on precious metals.

Certificates. Certificates of origin are not normally required; however when requested, two copies are required. These must be certified by a recognized chamber of commerce and may be included on the invoice or bill of lading.

Livestock, meat, dairy and fishery products must meet relatively stringent health conditions and be accompanied by special certificates issued by Canadian veterinary or fisheries inspection authorities. Before undertaking commitments exporters should, as appropriate, contact the nearest Agriculture Canada or Fisheries and Oceans Canada office.

Sanitary inspection certificates signed by officers of the Inspection Services Directorate of Fisheries and Oceans Canada are required for imports of edible fish, shellfish and related products. The above applies also for samples.

A "statistical visa" is required for imports from non-EEC countries of yarns, woven fabrics, clothing and household goods containing more than 50 per cent cotton. Importers are required to secure these from the Italian authorities, and Canadian suppliers must submit two extra copies of the

invoice to the Italian importer for each shipment that needs a visa.

Samples. Samples deemed “of no commercial value” by Italian customs are admitted duty and tax free. Samples shipped as unaccompanied baggage or freight are treated as ordinary commercial shipments, i.e., they must be packaged, labelled and certified in the manner required for ordinary commercial shipments. For accompanied goods to be cleared as samples, the importer must be recognized as a commercial traveller by the Italian Chamber of Commerce, or have a statement to that effect notarized by an Italian consulate. A certificate of origin for the goods must be produced, verified by the foreign chamber of commerce, and a deposit must be made equal to the duty and taxes payable on the goods, but subject to refund when the goods are exported under customs supervision.

Alternatively, trade samples or goods imported for a specific purpose on a temporary basis may be duty and tax paid upon entry and a refund claim may be filed for reimbursement of these charges upon proof of export. Importers wishing to avail themselves of this system must make prior arrangements with Italian Customs authorities.

A simplified procedure, using a Carnet, is available to Canadian traders as Italy is a signatory to the convention concerning the ATA Carnet. Carnets are usually inexpensive (depending on the product) and are available from your local chamber of commerce or from the Canadian Chamber of Commerce (see Chapter 1, “Temporary Entry — Carnets”). While this simplifies many customs procedures, the Carnet holder must check the goods covered into and out of each country visited. Experienced Carnet users allow extra time for this procedure both on arrival at and departure from each country visited.

It is important to note again that all samples of food products must be packaged, labelled and accompanied by all the documentation required for normal commercial shipments.

Special Regulations. Numerous products, including the following, are subject to special import regulations: ceramic products, concrete, televisions, beeswax and honey, foodstuffs, synthetic detergents, logs and lumber, electric tools, insecticides, animal feeds, motorcycles, motor vehicles, cosmetics, footwear and toys.

Trade Terms and Agreements

Italy uses the International Chamber of Commerce definitions of trade terms (c.i.f., f.o.b., etc.). Canadian exporters should familiarize themselves with these terms before offering quotations. Full information is available in the publications *INCOTERMS* and *Guide to INCOTERMS* which should be available on loan or for sale at your chamber of commerce. Copies are also available from the Canadian Chamber of Commerce. (See Chapter 1 for more information.)

Normally, sales to new customers should be conducted on a confirmed, irrevocable letter of credit basis. Further details are available from any major Canadian bank. All have branches in Western Europe: two have Italian branches.

Generally, new business agreements should be undertaken on a one-year, renewable by mutual consent basis. Exclusivity is usually of considerable importance to both parties and is preferable to a non-exclusive arrangement. Canadian exporters should be aware that they can in some cases be required to remunerate a representative for "good will" if an agreement is not renewed.

X. THE NETHERLANDS

General Information

Although the Netherlands is a small nation measuring 41 473 km² (approximately the size of Vancouver Island), it is one of the world's most densely populated countries with 14.6 million inhabitants. As the country is only 370 km long and about 193 km wide, it is possible to reach any point in the Netherlands by automobile from Amsterdam in two and a half hours. More than half of the Dutch live in the western coastal area of the country which includes the three major cities, Amsterdam, Rotterdam, and The Hague, the latter being the country's administrative centre. All three cities are within an hour's drive of each other. Fast, efficient train and bus service link all Dutch commercial centres. A businessperson can make a morning appointment in Rotterdam and be back in Amsterdam for an afternoon meeting. Dutch businesspersons are generally scrupulous about honouring appointments and expect the same from visitors.

The Netherlands represents an ideally compact and concentrated market, which considerably reduces transportation and distribution costs for exporters.

Excluding agricultural products and natural gas, the Netherlands must import primary commodities and a high percentage of manufactured goods. If a Canadian exporter has a competitive product, the Netherlands is a good potential market.

An additional advantage of selling to the Netherlands is that Rotterdam is one of the world's largest ports and serves as a major entry point into the lucrative EEC countries, especially West Germany (Amsterdam is also one of Europe's busiest ports). In fact, there are more than 160 million people within a radius of 500 km of the major Dutch cities. Because of its strategic location, the Netherlands has taken over a great proportion of the transport business for the Common Market nations.

Doing Business with the Dutch

Doing business in the Netherlands is particularly easy for Canadians, as most of the Dutch speak English fluently,

and a fair number also speak French. Dutch firms and businesspersons are hard bargainers, and potential exporters should prepare accordingly. The Dutch buyer wants quality but wants it at a low price. Canadian exporters must be ready to discuss detailed sales and price matters during the very first call on a Dutch firm or agent.

It is highly recommended that businesspersons considering a visit to Holland advise the Commercial Division of the Canadian Embassy of their intentions and provide product brochures. The Commercial Division can then survey the market potential and organize an appropriate program for the visit. Sufficient advance notice will do a lot to ensure that a business trip is a success.

Dutch firms which buy in large quantities prefer, understandably, to deal directly with the manufacturer. Canadian exporters who do not anticipate large volume sales will have to deal through an importer, distributor or agent. If an exporter's product is quite specialized or high-priced, an agent is best to promote the product. Once an agent is selected, it is important to establish a close working relationship and provide up-to-date information regularly. This will pay real dividends in the long run.

The rules governing contracts between a Dutch agent and his/her principal have been codified. While they are not as draconian as rules in other countries, it would be wise for a Canadian company to contact a Dutch legal firm before signing an agreement. An EC directive regarding commercial agents was adopted December 18, 1986. It requires member states to bring their national law into compliance with the directive no later than 1990.

Dutch buyers resist any attempt to have them accept large initial buying quotas. Agents also do not like sales quotas. Payments are often made in cash upon receipt, but terms of 60 and 90 days are also common practice on large orders.

It is recommended that a potential exporter provide product brochures and price quotations c.i.f. Rotterdam or Amsterdam, preferably in Dutch guilders. All product descriptions and specifications should be metric. They need not be translated into Dutch, although it is always a good idea.

Once a business contact has been established, it is important to quickly follow it up. The Dutch firm or commercial agent will also expect prompt replies to correspondence and orders.

It would be advisable to avoid first-time or exploratory business visits during July or August as many of the Dutch take their summer vacations during that period. Plants and firms often close for two to three weeks during the summer vacation period.

Participation in trade exhibitions in the Netherlands is often a successful way to introduce a product to this market. The two largest trade exhibition centres are the Royal Netherlands Industries Fair in Utrecht, and the RAI Exhibition Centre in Amsterdam. A wide variety of fairs are held regularly, both for the trade and for the general public.

As stated earlier, the Netherlands is a large importer of all types of goods from primary commodities to sophisticated manufactured items. In addition to purchasing significant amounts of such Canadian export commodities as minerals, forest products, oilseeds and other basic materials, the Netherlands imports increasing amounts of manufactured goods and equipment such as electrical and electronic products, defence equipment and computer hardware and software, as well as some telecommunications equipment.

Canadian businesspersons wanting to know the potential for a particular product line should write or telex the Commercial Division of the Canadian Embassy which will be pleased to survey the Dutch market and suggest the best course of action to pursue.

National Regulations

Labelling. Labelling regulations, which vary among commodities, are issued and amended frequently. Cosmetics, packaged foods, textiles and soaps are examples of commodities with specific requirements.

Hallmarking. Hallmarking of gold and silver articles is required before they can be offered for sale. Small tolerances for error are allowed. The hallmarking may be done by a Dutch hallmarking office after importation. Karat marking is permissible on gold articles.

Certificates. Certificates of origin are not normally required. When requested, two are required, certified by a recognized chamber of commerce.

Health certificates certified by an official of Agriculture Canada are required for shipments of live bovine animals, dogs, horses and poultry for human consumption. Certificates are also required for frozen fish; fresh, chilled, or

frozen meat; meat preparations; broken or mealed bones; artificial fertilizers; and animal feed containing meal of animals, bones or blood.

All unprocessed agricultural produce requires a phytosanitary certificate issued by Agriculture Canada.

It is advisable to contact the Food Production and Inspection Branch of Agriculture Canada, in Ottawa or at their office in your region, as health certificates and plant quarantine requirements are complex and frequently amended.

Samples. Samples of no commercial value are admitted free of customs duty. Temporary duty- and tax-free importation is permitted for samples imported solely to solicit orders. Such importations may be made either under bond or by deposit of customs charges payable, subject to refund upon exportation. The Netherlands is a signatory to the customs convention concerning the ATA Carnet for the temporary importation of goods. Canadian exporters may avail themselves of the services of Carnet Canada (see Chapter 1, "Temporary Entry — Carnet").

Samples having commercial value which are not exported within one year from the date of importation are subject to the same customs regulations and duties as ordinary commercial shipments.

Special Regulations. Regulations are in effect for numerous materials and articles such as agricultural chemicals, asbestos, prepacked medicines, cosmetics and food-stuffs. Details should be obtained from the importer; however, you may also wish to enlist the services of the Commercial Division of the Canadian Embassy in the Netherlands.

XI. PORTUGAL

Some 10 million Portuguese live in an area only slightly bigger than New Brunswick. A relatively poor country, with an estimated per capita GDP of just over US\$3 400 in 1987, Portugal joined the EEC on January 1, 1986. Membership in the Community had long been a Portuguese objective as a key contributor to the country's development efforts and it is expected to reap economic benefits.

The principal urban centres are Lisbon (capital city), Porto (second largest city and prime industrial centre), Coimbra, Setubal, Aveiro, Evora, Faro, Funchal (Madeira) and Ponta Delgade (Azores).

Market Access

As a condition of Portugal's entry into the EEC, a transitional period is in effect in the trade field as tariffs, rules and regulations are brought into line with those of the Community. While EEC membership may affect future market access for some Canadian fisheries and agricultural products, it is expected that access for industrial and manufactured products may in fact improve.

With entry into the EEC the Portuguese system of prior import licensing (to control foreign exchange outflows) and import surcharges has been largely removed. In some specific sectors import licensing continues to provide protection for Portuguese and/or Community products.

Portugal must import a very large portion of its food, raw material, machinery and technology requirements. The country's traditional balance of trade deficits are at least partially offset by earnings from tourism and remittances from Portuguese living and working abroad.

Portuguese imports in 1988 totalled US\$16.8 billion and, by May 1989 imports had reached US\$7 billion. Principal sectors of interest to Portuguese importers are agricultural products (13.5 per cent in 1988), mineral products including petroleum (16.7 per cent), and machinery and transport equipment (37.6 per cent). The market for consumer products had been limited by the imposition of restrictive import practices, including up to 60 per cent import surcharges for luxury items. High-technology products and services is another market which has been developing rapidly in recent years, especially the electronics and communications equipment sectors.

The Portuguese market is open but is not easily penetrated. Persistent and aggressive efforts are required if sales success is to be achieved in competition with local and European suppliers. Traditionally, Canada has maintained a significant share of the Portuguese markets for codfish, seed potatoes, hides, iron ore, asbestos, aluminum, copper, lead and zinc. In 1986 and 1987, wheat and feed barley re-entered the Portuguese market and became major components of the Canadian exports mix.

Canada's image as a source of food and raw materials has changed rapidly in the past few years. Today, Portuguese business welcomes, and increasingly seeks, contacts with Canadian suppliers of manufactured goods and new technologies. Naturally, there is considerable competition in these areas from European, Japanese and American firms.

A capable local agent or representative is usually necessary in Portugal. Initial contact can be established via correspondence. Visas are not required. The Commercial Division of the Canadian Embassy can identify suitable local firms as potential representatives and can assist with establishing initial contacts.

Local firms require complete product literature and pricing information (best if on the basis of c.i.f. Lisbon) to evaluate market prospects and their interest in taking on a new product. English or French is widely understood in commercial circles in Portugal although, of course, material in Portuguese is preferable and, for some sectors, essential.

Despite its similarity to Portuguese, Spanish material should not be used in Portugal unless it is specifically requested. Although part of the Iberian peninsula, Portugal is, and considers itself to be, different from the Spanish market and therefore must be dealt with separately.

Although there are a number of major trade shows staged every year in Portugal, most are of an essentially national nature and therefore, in light of the relatively small total size of the domestic market for most products, would not normally warrant direct participation by Canadian firms. Companies with agents in Portugal may wish to investigate relevant exhibitions via their agents.

Business Visits

For a Canadian businessperson travelling to Portugal, the first business meeting should not be expected before 9:30 a.m. (and more often 10:00 a.m.). Lunch is usually from 12:30 p.m.

to 2:30 or 3:00 p.m. Most Portuguese businesses work relatively late (6:30 p.m. to 7:00 p.m.). Working lunches are common, but working dinners are rare as evenings are usually devoted to the family. For the same reason, meetings on weekends or holidays should not be expected except in unusual circumstances.

In virtually all cases Portuguese business representatives are punctual for their meetings; therefore, you should be too. If you are running late, call ahead to inform your next appointment. Getting around Lisbon is convenient and inexpensive by taxi.

Travel to Portugal should be avoided during the summer vacation (July to mid-September), around Christmas and between April 25 and May 1. It should also be noted that if a public holiday falls in mid-week, many Portuguese "fazem a ponte," meaning they make the holiday into a long weekend.

The Commercial Division of the Canadian Embassy is pleased to assist as appropriate with arranging a schedule of meetings, although a minimum of two weeks lead time is requested.

National Regulations

Labelling and Marking. There are no special requirements for the labelling and marking of general merchandise. Imports need not be marked with the identification of the country of origin, unless they bear the mark of a Portuguese company. However, there is special legislation on labelling of prepacked foodstuffs, pharmaceutical specialties, yarns, textiles, tobacco and wines. Jewellery and other articles of gold, silver or platinum must be assayed and hallmarked by the Portuguese Government Assay Office, for which a small fee will be charged.

It is always expedient to mark packages, cases, bags, etc., in the simplest manner possible, rather than writing out the full name. Care should be taken to see that the marks on the packages are exactly the same as those mentioned in the bill of lading, the certificates of origin, invoices and all shipping documents. According to sound shipping practice, these packages should bear the consignee's mark, including port mark and should be numbered, unless the shipment is such that the packages can be readily identified without numbers.

Commercial Invoices. Commercial invoices are required, in duplicate, with an accurate and specific description of the merchandise. The f.o.b. value is to be shown with an itemized list of shipping expenses. No consular visa is needed. Invoices must be made out in the currency of the country of consignment of the goods.

The invoice must include, where applicable, the statement: "We declare that the goods described in this invoice are of Canadian origin." This statement must be certified correct and stamped by a responsible official of the nearest Canadian board of trade or chamber of commerce, or in substitution of this, by the respective customs or port authority.

When a Canadian product contains components not of Canadian origin, the invoice must contain a special reference to the percentage of non-Canadian content. This statement must be certified correct by the nearest Portuguese consul.

Bills of Lading. There should be two original bills of lading and two non-negotiable copies. The originals, each accompanied by a non-negotiable copy, should be forwarded by separate mail.

"To Order" bills of lading are acceptable, providing they bear the shipper's endorsement.

The marks indicated on the bills of lading should correspond with the marks on the cases and those shown on the invoice. No consular visa is needed.

Care should be taken to specify the correct weight of the goods on the bill of lading, as any error discovered by customs authorities is punishable by a fine.

Certificate of Origin. When the Canadian content exceeds 50 per cent of the value, the statement on the invoice, properly certified, is the only requirement, provided the shipment is made direct from Canada to Portugal.

Merchandise is considered as being sent direct when the transport is made by ship from Canada to Portugal under a through bill of lading even though trans-shipment may occur in a third country. When a shipment is made partly by rail through a port outside Canada, the shipment is not considered to be direct.

Re-exported goods require a certificate of origin. The certificate of origin may be obtained from the Portuguese consul in the country of re-export. When the merchandise is not

sent directly from Canada to Portugal, a certificate of origin, certified by a Portuguese consul, is required. The certificate must be on official forms, in duplicate, and presented to the Portuguese consul in Canada nearest to the place where the goods were produced.

If the shipment contains merchandise originating outside Canada, a certificate of origin from the country of origin is required. In such a case, a certified commercial invoice for the foreign merchandise can be presented to the nearest Portuguese consulate, which will issue the necessary certificate of origin.

Special Certificates. Seed imports are permitted but, as well as satisfying the provisions of any applicable legislation, they must be accompanied by a certificate issued by the appropriate official service of the country of origin giving the name of the exporter and the consignee, and identifying the goods, weight, purity and germinative faculty.

Live animals must be accompanied by a certificate of origin and a sanitary certificate issued by the authorities of the exporting country. This certificate must be in the terms laid down by international convention. However, it is advisable to ascertain from the purchaser the up-to-date sanitary conditions which are required to be met. This certificate must be certified at the nearest Portuguese consulate.

There are specific regulations affecting the sale of foreign pharmaceutical products in Portugal.

Samples. Samples of no commercial value may be admitted free of duty. Those regarded by the customs authorities to be of commercial value are dutiable at regular commodity rates or may be admitted upon deposit or bond of an amount equal to the duty normally payable, subject to refund upon exportation of the goods.

Portugal accepts the ATA Carnet for the temporary entry of goods. Canadian exporters may wish to avail themselves of the services of Carnet Canada (see Chapter 1, "Temporary Entry — Carnet").

Price lists, catalogues and other advertising may be admitted free of duty if sent in small quantities.

XII. SPAIN

General Information

Spain is a parliamentary monarchy, the first government of which piloted Spain's transition towards a modern democratic state in 1977. With a population of 40 million, Spain is organized into municipalities, provinces and 17 "autonomous" communities, in addition to the Spanish enclaves of Ceuta and Melilla in North Africa. Each enjoys its respective degree of control in the administration of its interests.

Principal cities are Madrid (the capital); Barcelona, the major industrial port city in Catalunya; Valencia, also a port city on the Mediterranean coast; Sevilla, Andalusia's principal city; and Bilbao, the Basque country's major port. Exporters targeting the Spanish market are encouraged to consider both Madrid and Barcelona as key cities as they have the largest market potential for most product sectors.

Language. Castilian Spanish, the official language, is understood throughout the country. Local languages are used in Galicia, Catalunya and the Basque country and differ significantly from Castilian Spanish.

Business Hours/Practices. Spanish Standard Time is six hours ahead of Eastern Standard Time (EST) in Canada.

Office hours for foreign companies in Spain generally follow the North American norm (9 a.m. to 5:30 p.m. allowing for an hour for lunch). Spanish companies allow for a longer lunch break and extend the closing hour. Summer hours are generally shorter (8 a.m. to 3 p.m.).

Banks are open to the public from 9 a.m. to 2 p.m., Monday through Saturday. The official currency is the Spanish peseta.

The metric system is used for all weights and measures.

Economy. Spain has a free market economy with notable government ownership of principal industries. Privately owned, state-licensed monopolies exist, though recent entry into the EEC has significantly reduced monopolistic practices at both state and private levels.

Basic Resources. Agriculture, coal, iron ore, copper, hydro-electric power and fisheries are Spain's leading resources. Oil and natural gas exploration continues in an effort to reduce Spain's energy dependency on foreign suppliers.

Industries. Chemicals, automobile manufacture, petroleum, mining, agriculture, tourism, banking, cement, steel, textiles, energy and shipbuilding are key industry sectors with tendencies to increased investment in tourism, agriculture and chemicals. Growth has been strong in high-technology sectors, particularly the information industries.

Trade Relations. Spain is a member of the World Bank, the International Monetary Fund, the General Agreement on Tariffs and Trade (GATT), and the Organization for Economic Co-operation and Development.

Trade Potential. As a result of Spain's entry into the EEC in 1986, Spanish laws, institutions and commercial practices will be totally aligned to those of the EEC by 1992. In the energy, finance, transportation, education, health, television and telecommunications sectors great changes are taking place to meet EEC standards of service. Suppliers to these industries enjoy excellent sales prospects, especially vis-à-vis high-technology goods.

The gradual reduction of import tariff and non-tariff barriers will aid Canadian products currently competitive within the EEC. Spanish industries will not be protected by any import quotas and licensing requirements that differ from those applicable in other EEC countries.

Sectors where export prospects are excellent in addition to the aforementioned public sectors include electronics (hardware and software), mining equipment, food processing equipment, medical instrumentation, biotech products and defence industry products.

In the agricultural sector there is increased competition from EEC grain and pulse producers, though there may be new opportunities for corn, canola, tobacco and fish. Furs and skins continue to enjoy good market acceptance.

Transitional agreements govern exemptions for 32 products designated as "sensitive." Until 1992, sensitive imports from GATT countries are subject to quantitative import quotas. These are increased each year until they conform with EEC norms. In the agricultural sector, milk, beef,

cheese, soft wheat flour, fruit and vegetables, oils, pork and wine are recognized as "sensitive."

Local Business. Language requirements can prove onerous since Spaniards are less prepared to work in English or French than most other EEC members. Regionalism, a complicated network of business relationships and bureaucratic requirements affecting commercial transactions, encourages the use of a Spanish agent or distributor. To maximize market coverage exporters normally should ensure that their chosen agent or distributor maintains operations in at least Madrid and Barcelona. Personal visits are encouraged in initial stages and on an ongoing basis in keeping with the Spanish practice of emphasizing personal relationships in conducting business.

Trade Fairs. Both Madrid and Barcelona host major annual trade fairs of domestic and international interest particularly in the electronics, agricultural technology, office equipment, auto parts, hospital equipment and security equipment sectors. Other major cities hold important fairs relating to their respective key industries. Spanish businesses use fairs to launch new products, attract new buyers and sustain market presence in the same way as do their European and North American counterparts.

Business Assistance. The Canadian Embassy's commercial staff can provide general market information and initial guidance to market opportunities for specific products. Introductions to potential importers or agents, assistance with market identification visits, advice regarding commercial practices, information on suitable trade fairs, etc., are available from the local and Canada based trade staff. A trade commissioner resident in Barcelona can provide commercial assistance in Catalunya.

The Embassy will provide referrals to service agencies required by Canadian exporters (lawyers, translation, advertising, etc.) on request.

Honorary Consuls. The Embassy maintains consulates in Barcelona, Malaga and Sevilla, where assistance is available from honorary consuls.

Canadian Banks. The Royal Bank of Canada has a branch in Madrid.

National Regulations

Labelling. Spanish legislation (royal decree "Norma General del Etiquetado") establishes a general set of rules regarding packaging and labelling. Consumer food items, alcoholic drinks, animal foods, etc., must be labelled in Spanish to indicate contents, composition, metric weight, origin, date of packaging, name of packer and expiry date. The *Codigo Alimentario Espanol*, administered by the Ministry of Health, lists food and drug additives permitted in Spain. In addition to these general norms, specific requirements pertain to a wide range of products.

While a certain similarity already exists between Spanish labelling requirements and those of other EEC countries, uniformity is proceeding through regular consultation with the EEC Labelling Commission. Early harmonization of labelling norms relating to automobiles, medical instruments, food, electricity, chemicals, textiles, cosmetics and pharmaceuticals is under way.

Health Certificates. Importation of live animals, plants, seeds and vegetable products falls within the jurisdiction of the Spanish Ministry of Agriculture and is subject to health certificate and phytosanitary requirements to which an exporter must strictly adhere.

Import Licences. These are generally not required. Global quotas exist for a limited range of products considered to be market sensitive.

Exchange Controls. Transfers of profits and dividends are normally freely authorized. Repatriation of capital is allowed without restriction. To ensure subsequent transferability of profits and capital, capital inflow should pass through recognized banks and receipts should be carefully kept.

Spain adheres to the GATT and the Brussels nomenclature has been adopted. Valuations for ad valorem duty are made on an "arm's length" valuation basis.

Samples. Spain is a signatory of the ATA convention and carnets are acceptable (see Chapter 1, "Temporary Entry — Carnet"). Temporary admission under licence may be obtained on payment of a refundable bond based on an ad valorem estimation of duty that would otherwise be payable.

Customs Clearance Requirements. Customs clearance requires the following:

- bill of lading or CMR letter;
- commercial invoice;
- certificate of customs value;
- insurance policy (if c.i.f.);
- certificate of origin and/or quality;
- customs clearance certificate;
- declaration of customs debt; and
- packing list.

XIII. USEFUL ADDRESSES

Canadian Trade Commissioner Missions in Member Countries of the EEC

Belgium

Commercial Division
Canadian Embassy
2, avenue de Tervuren
1040 Brussels, Belgium

Cable: CANADIAN BRUSSELS
Tel: (011-32-2) 735-60-40
Fax: (011-32-2) 735-3383
Telex: (Destination code 46) 21613 (DOMCAN B)
Territory: Belgium, Luxembourg

Britain

Commercial/Economic Division
Canadian High Commission
Macdonald House
One Grosvenor Square
London, W1X 0AB, England

Cable: DOMINION LONDON
Tel: (011-44-71) 629-9492
Fax: (011-44-71) 409-1473
Telex: (Destination Code 51) 261592 (CDALDN G)
Territory: England, Wales, Gibraltar, Channel Islands

Commercial Division
Canadian Trade Office
Ashley House
195 West George Street
Glasgow, G22HS, Scotland

Cable: CANTRACOM GLASGOW
Tel: (011-44-41) 204-1373
Telex: (Destination Code 77) 778650 (CDAGLW G)
Territory: Northern Ireland, Scotland

Denmark

Commercial Division
Canadian Embassy
Kr. Bernikowsgeade 1
DK = 1105 Copenhagen K
Denmark

Cable: DOMCAN COPENHAGEN

Tel: (011-45-33) 12-22-99

Fax: (011-45-33) 14-05-85

Telex: (Destination Code 55) 27036 (DMCNC DK)

Territory: Denmark, Greenland, Faroe Islands

France

Commercial Division
Canadian Embassy
35, avenue Montaigne
75008 Paris, France

Cable: CANADIAN PARIS

Tel: (011-33-1) 47.23.01.01

Fax: 33-14723-5628

Telex: (Destination Code 42) 280806
(CANAD A 280806F)

Territory: France, Andorra, Monaco

Commercial Division
Canadian Consulate
Bonnell Part-Dieu Building
74, rue de Bonnell
3rd Floor
69428 Lyon Cedex 03
France

Cable: CANADIAN PARIS

Tel: (011-33) 72.61.15.25

Fax: 8-011-33-78620836

Telex: (Destination code 42) 380003
(CANADA)

Territory: Rhone-Alps/Auvergne region

Germany, Federal Republic of

Missions in Germany are organized on an industry sector basis as opposed to a geographic basis. Therefore, all trade enquiries should be directed to the mission identified as having a specific responsibility for the product in question.

Commercial Division
Canadian Embassy

Friedrich-Wilhelm-Strasse 18
D-5300 Bonn 1,
Federal Republic of Germany

Cable: CANADIAN BONN
Tel: (011-49-228) 23 10 61
Fax: 49-228-230857
Telex: (Destination Code 41) 886421 (DOMCA D)

Sector Responsibilities: Defence products, books, musical instruments, shipbuilding and ocean industries, security equipment, policy and regulatory matters, bulk chemicals, bulk agricultural commodities, basic telecommunications equipment and services, environment technology and services

Commercial Division
Canadian Consulate General
Immerman Hof
Immermannstrasse 65D
D-4000 Düsseldorf 1,
Federal Republic of Germany

Cable: CANADIAN DUSSELDORF
Tel: (011-49-211) 35 34 71
Fax: (011-49-211) 359165
Telex: (Destination Code 41) 8587144 (DMCN D)

Sector Responsibilities: Health care products, fish and food products, electrical energy, oil and gas, most machinery, forest products, minerals and metals, consulting services, capital project co-operation, clothing and furniture, furs and textiles, environmental machinery

Commercial Division
Canadian Consulate General
Tal 29
D-8000 Munich 2
Federal Republic of Germany

Tel: (011-49-89) 22-26-61
Fax: (011-49-89) 228-5987
Telex: (Destination Code 0411) 5214139 (CAND D)

Sector Responsibilities: Aerospace, automotive and surface transportation equipment, electrical and electronic products, computers and computer software, leisure and recreational products, medical equipment and instruments, film, video and sound recording equipment and services, enhanced telecommunications equipment and services

Greece

Commercial Division
Canadian Embassy
4 Ioannou Ghennadiou Street
115 21 Athens, Greece

Cable: CANADIAN ATHENS

Tel: (011-30-1) 723-9511

Fax: (011-30-1) 724-7123

Telex: (Destination Code 601) 215584 (DOM GR)

Ireland

Commercial Division
Canadian Embassy
Canada House
65/68 St. Stephen's Green
Dublin 2, Ireland

Cable: DOMCAN DUBLIN

Tel: (011-353-1) 781988

Fax: (011-353-1) 781285

Telex: (Destination Code 500) 93803 (DMCN EI)

Italy

Commercial Division
Canadian Embassy
Via G.B. de Rossi 27
00161 Rome, Italy

Cable: CANADIAN ROME

Tel: (011-39-6) 841-5341

Fax: (011-39-6) 884-8752

Telex: (Destination Code 43) 610056 (DOMCAN I)

Territory: Provinces of Toscana, Marche, Umbria, Lazio,
Abruzzi-Molise, Puglia, Campania, Basilicata, Calabria,
Sicilia, Sardegna

Other countries: Malta, Libya

Commercial Division
Canadian Consulate General
Via Vittor Pisani 19
20124 Milan, Italy

Cable: CANTRACOM MILAN

Tel: (011-039-2) 669-7451

Fax: (011-39-2) 670-4450

Telex: (Destination Code 43) 310368 (CANCON I)

Territory: Provinces of Emilia-Romagna, Lombardia,
Piemonte, Trentino-Alto Adige, Veneto, Liguria, Val d'Aosta,
Friuli-Venezia Giulia

Netherlands

Canadian Embassy
Sophialaan 7
2514 JP The Hague, Netherlands

Mailing Address:
Commercial Division
P.O. Box 30820
2500 GV The Hague, Netherlands

Cable: DOMCAN THE HAGUE
Tel: (011-31-70) 361-4111
Fax: (011-31-70) 356-1111
Telex: (Destination Code 44) 31270 (DMCN NL)

Portugal

Commercial Division
Canadian Embassy
Av. Da Liberdade 144/56-4
1200 Lisbon, Portugal

Cable: CANADIAN LISBON
Tel: (011-351-1) 347-4892
Fax: (011-351-1) 347-6466
Telex: (Destination Code 404) 12377 (DOMCAN P)
Territory: Portugal, Azores, Madeira

Spain

Commercial Division
Canadian Embassy
Apartado 117
35, Nuñez de Balboa
28001 Madrid, Spain

Mailing Address:
Apartado 587
28080 Madrid

Cable: CANADIAN MADRID
Tel: (011-34-1) 431-4300
Fax: (001-34-1) 431-2367
Telex: (Destination Code 52) 27347 (DOMCA E)
Territory: Includes Spain and provinces outside the peninsula — Balearic Islands, Canary Islands

International Trade Centres

If you have never marketed abroad, please contact the International Trade Centre in your province. International Trade Centres are co-located with the offices of Industry, Science and Technology Canada, except for the Northwest Territories and the Yukon.

Alberta

International Trade Centre
Room 540
Canada Place
9700 Jasper Avenue
Edmonton, Alberta
T5J 4C3
Tel: (403) 495-2944
Fax: (403) 495-4507
Telex: 037-2762

International Trade Centre
Suite 1100
510-5th Avenue S.W.
Calgary, Alberta
T2P 3S2
Tel: (403) 292-6660
Fax: (403) 292-4578

British Columbia

International Trade Centre
P.O. Box 11610, Suite 900
650 West Georgia Street
Vancouver,
British Columbia
V6B 5H8
Tel: (604) 666-0434
Fax: (604) 666-8330
Telex: 045-1191

Manitoba

International Trade Centre
330 Portage Avenue
8th Floor
P.O. Box 981
Winnipeg, Manitoba
R3C 2V2
Tel: (204) 983-8036
Fax: (204) 983-2187
Telex: 075-7624

New Brunswick

International Trade Centre
Assumption Place
770 Main Street
P.O. Box 1210
Moncton, New Brunswick
E1C 8P9
Tel: (506) 851-6452
Fax: (506) 851-6429
Telex: 014-2200
Toll Free: 1-800-332-3801

Newfoundland and Labrador

International Trade Centre
90 O'Leary Avenue
P.O. Box 8950
St. John's, Newfoundland
A1B 3R9
Tel: (709) 772-5511
Fax: (709) 772-2373
Telex: 016-4749

Nova Scotia

International Trade Centre
Central Guaranty Trust
Building
1801 Hollis Street
P.O. Box 940, Station M
Halifax, Nova Scotia
B3J 2V9
Tel: (902) 426-7540
Fax: (902) 426-2624
Telex: 019-22525

Ontario

International Trade Centre
Dominion Public Building
4th Floor
1 Front Street West
Toronto, Ontario

M5J 1A4
Tel: (416) 973-5053
Fax: (416) 973-8161
Telex: 065-24378

Prince Edward Island

International Trade Centre
Confederation Court Mall
134 Kent Street, Suite 400
P.O. Box 1115
Charlottetown,
Prince Edward Island
C1A 7M8
Tel: (902) 566-7400
Fax: (902) 566-7450
Telex: 014-44129

Quebec

International Trade Centre
Stock Exchange Tower
Suite 3800
800 Victoria Square
P.O. Box 247
Montreal, Quebec

H4Z 1E8
Tel: (514) 283-8185
Fax: (514) 283-3302
Telex: 055-60768

Saskatchewan

International Trade Centre
6th Floor
105-21st Street East
Saskatoon,
Saskatchewan
S7K 0B3
Tel: (306) 975-5315
Fax: (306) 975-5334
Telex: 074-2742

International Trade Centre
4th Floor
1955 Smith Street
Regina, SK
S4P 2N8
Tel: (306) 780-6108
Fax: (306) 780-6679

Industry, Science and Technology Canada (ISTC)

As noted above, the offices of Industry, Science and Technology Canada are co-located with the International Trade Centres and are also situated in the following locations.

Business Centre

Industry, Science and
Technology Canada (ISTC)
235 Queen Street
Ottawa, Ontario
K1A 0H5
Tel: (613) 995-5771

Northwest Territories

Industry, Science and
Technology Canada
Precambrian Building
P.O. Bag 6100
Yellowknife,

Northwest Territories
X1A 2R3
Tel: (403) 920-8568
Fax: (403) 873-6228
AES: (403) 920-2618

Yukon

Industry, Science and
Technology Canada
108 Lambert Street
Suite 301
Whitehorse, Yukon
Y1A 1Z2
Tel: (403) 668-4655
Fax: (403) 668-5003
Telex: 014-2200

Trade Representation in Canada of EEC Member Countries

Belgium

Embassy of Belgium
85 Range Road, Suites 601-604
Ottawa, Ontario
K1N 8J6
Tel: (613) 236-7267-8-9

Belgium Consulate
1001 ouest, boulevard de Maisonneuve
Pièce 1250
Montréal (Québec)
H3A 3C8
Tel: (514) 849-7394

Belgium Consulate
8 King Street East, Suite 1901
Toronto, Ontario
M5C 1B5
Tel: (416) 364-5283

Belgium Consulate
701 West Georgia Street, Suite 1250
P.O. Box 10119, Pacific Centre
Vancouver, British Columbia
V7Y 1C6
Tel: (604) 682-1878

Britain

British High Commission
80 Elgin Street
Ottawa, Ontario
K1P 5K7
Tel: (613) 237-1530
Fax: (613) 237-7980

British Consulate General
Three McCauley Plaza
10025 Jasper Avenue
Edmonton, Alberta
T5J 1S6
Tel: (403) 428-0375

British Consulate General
1155 University Street
Montréal (Québec)
H3B 3W7
Tel: (514) 866-5863

British Consulate General
777 Bay Street, Suite 1910
College Park
Toronto, Ontario
M5G 2G2
Tel: (416) 593-1267

British Consulate General
111 Melville Street, Suite 800
Vancouver, British Columbia
V6E 3V6
Tel: (604) 683-4421

Assistant British Trade Commissioner
c/o Hignell Printing Ltd.
488 Burnell Street
Winnipeg, Manitoba
R3G 2B4
Tel: (204) 783-7237

Denmark

Embassy of Denmark
85 Range Road, Suite 702
Ottawa, Ontario
K1N 8J6
Tel: (613) 234-0704/0116/0204

Danish Consulate General
2020, rue de l'Université
Suite 1330
Montréal (Québec)
H3A 2A5
Tel: (514) 849-5391

Danish Consulate
151 Bloor Street West, Suite 310
Toronto, Ontario
M5S 1S4
Tel: (416) 962-5661

France

Embassy of France
42 Sussex Drive
Ottawa, Ontario
K1M 2C9
Tel: (613) 232-1795

French Consulate General
2 Élysée, place Bonaventure, (C.P. 177)
Montréal (Québec)
H5A 1A7
Tel: (514) 878-4381

French Consulate General
1110, avenue des Laurentides
Québec (Québec)
G1S 3C3
Tel: (418) 688-0430

French Trade Commissioner
175 Bloor Street East
Suite 606
Toronto, Ontario
M4W 3R8
Tel: (416) 925-0025

French Consulate General
The Vancouver Block, Suite 1201
736 Granville Street
Vancouver, British Columbia
V6Z 1H9
Tel: (604) 681-2301

Germany, Federal Republic of
Embassy of the Federal Republic of Germany
1 Waverley Street
Ottawa, Ontario
K2P 0T8
Tel: (613) 232-1101-2-3-4-5

German Consulate General
2500 CN Tower
10004-104th Avenue
P.O. Box 363
Edmonton, Alberta
T5J 0K1
Tel: (403) 422-6175-6-7

German Consulate General
3455, rue de la Montagne
Montréal (Québec)
H3G 2A3
Tel: (514) 286-1820

German Consulate General
77 Admiral Road
Toronto, Ontario
M5R 2L4
Tel: (416) 925-2813-4-5

German Consulate General
501-325 Howe Street
Vancouver, British Columbia
V6C 2A2
Tel: (604) 684-8377

Greece

Embassy of Greece
76-80 MacLaren Street
Ottawa, Ontario
K2P 0K6
Tel: (613) 238-6271-2-3

Greek Consulate General
2015, rue Peel, Pièce 750
Montréal (Québec)
H3A 1T8
Tel: (514) 845-2105

Greek Consulate General
100 University Avenue, Suite 902
Toronto, Ontario
M5G 1V6
Tel: (416) 593-1636/1637

Greek Consulate
Suite 501-1200 Burrard Street
Vancouver, British Columbia
V6Z 2C7
Tel: (604) 681-1381

Ireland

Embassy of Ireland
170 Metcalfe Street
Ottawa, Ontario
K2P 1P3
Tel: (613) 233-6281

Italy

Embassy of Italy
275 Slater Street, 11th Floor
Ottawa, Ontario
K1P 5H9
Tel: (613) 232-2401-2-3

Italian Consulate General
3489, avenue Drummond
Montréal (Québec)
H3G 1X6
Tel: (514) 849-8351

Italian Consulate General
136 Beverley Street
Toronto, Ontario
M5T 1Y5
Tel: (416) 977-1566

Italian Trade Commission
Suite 505, 1200 Burrard Street
Vancouver, British Columbia
V6Z 2C7
Tel: (604) 684-7288

Netherlands

Embassy of the Netherlands
275 Slater Street, 3rd Floor
Ottawa, Ontario
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Tel: (613) 237-5030

Netherlands Consulate General
Édifice Standard Life
Pièce 1500
1245 ouest, rue Sherbrooke
Montréal (Québec)
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Tel: (514) 849-4247-8

Netherlands Consulate General
1 Dundas Street West
Suite 2106
Toronto, Ontario
M5G 1Z3
Tel: (416) 548-2520

Netherlands Consulate General
Crown Trust Building, Suite 821
475 Howe Street
Vancouver, British Columbia
V6C 2B3
Tel: (604) 684-6448/6449

Portugal

Embassy of Portugal
645 Island Park Drive
Ottawa, Ontario
K1Y 0B8
Tel: (613) 729-0883/2922/2270

Spain

Embassy of Spain
350 Sparks Street, Suite 802
Ottawa, Ontario
K1R 7S8
Tel: (613) 237-2193-4

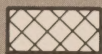
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European Community
Member Countries



European Free Trade
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